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Summary

The objective of this research is to understand whether Chinese consumers have become less conspicuous in their luxury purchases, hence if their interest in logos has decreased. An analysis of 1st tier Chinese consumers within the "Clothing" and "Accessories" luxury segments was conducted in order to investigate this trend. Our research followed a four-step approach. We first analysed where Chinese 1st tier cities stand in terms of luxury development, following Chadha and Husband's "spread of the luxury model". Secondly, we evaluated if it was possible to identify different consumer groups having reached different luxury adoption stages in order to find new ways to segment the Chinese luxury market. Thirdly, we analysed what motivated Chinese consumers to purchase Aspirational Personal Luxury goods through an analysis of China's history, culture and socio-economical features. Finally, we identified factors that could influence the Chinese consumers' motivation to purchase ostentatious luxury goods. Conclusions of this research showed that logo-consumption is decreasing in the "Clothing" and "Accessories" luxury segments, but the Chinese elite is not becoming less conspicuous. There simply has been a shift in what is relevant to them. Logos tend to disappear due to consumers finding new ways to define and express their status. In fact, we found that the concept of conspicuousness cannot only be reduced to overt signals such as logos. Subtle luxury purchases can also be conspicuous, as long as their objective is to enhance status.

Keywords : Keywords : luxury, luxury brands, China, logo, exclusivity.

JEL Classification: C61

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IS IT THE END OF THE IMPORTANCE OF LOGOS IN CHINA'S LUXURY MARKET ?

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Abstract

In view of the fast development of the Asian luxury market, the aim of this research was to understand whether the importance of logos for Chinese luxury consumers was decreasing, hence if they were becoming less conspicuous. The research was focused on 1st tier Chinese consumers of the "Accessories" and "Clothing" luxury categories. To investigate this trend, an original segmentation analysis was conducted in order to map distinct consumer groups with different luxury adoption stages. Then, the authors identified factors that could influence Chinese consumers' purchasing motivation and interest towards prominent logos. An analysis of China's history, culture and socio-economical features and an application of Wiedmann and Hennigs' simplified tridimensional model was used to achieve this. The research showed that logo-driven consumption is decreasing, but Chinese consumers are not becoming less conspicuous. Elite consumers are simply finding new ways to define and express their status. In fact, the apparent decreased interest in logos depended on the consumer segments that were identified in this research.

Key words : luxury, luxury brands, China, logo, exclusivity.

I. Introduction

China's status as an economic powerhouse is not anodyne for luxury brands. Indeed, "in a country that is finely attuned to social-status signals, branded goods and sophisticated travel are high on many people's wish-lists" (The Economist, 2014b). The Chinese have, for a long time, been depicted as logo-driven consumers. However, things have quickly changed in China. According to the press and luxury industry specialists, we are now potentially witnessing a distancing from flashy products in favor of a more authentic expression of the self (Helmore, 2014). This evolution in consumer behavior makes the Chinese market a more complex arena to compete in: well-established retailers cannot grow content with their leading position, as they risk losing their appeal to an increasingly discerning and less ostentatious consumer.

The key objective of this paper is to understand whether it is the end of the "logomania" in China's luxury market through an analysis of 1st tier Chinese consumers within the "Clothing" and "Accessories" segments. To analyze this problem statement, we will first understand where Chinese 1st tier cities stand in terms of luxury development stage, following Chadha and Husband's "spread of the luxury model". Secondly, we will evaluate if all consumers have reached the same development stage or if it is possible to map different consumer groups with different luxury adoption stages. To this end, an original socio-demographical segmentation analysis will be undertaken. Thirdly, we will identify what motivates Chinese consumers to portray conspicuous behaviors and purchase "Aspirational Personal Luxury" goods. An analysis of China's history, culture and socio-economical features and an application of Wiedmann and Hennigs' simplified tridimensional model for purchasing intentions will help us to achieve this. Fourthly, we will identify which factors influence Chinese consumers' conspicuous behavior and purchasing motivations through a synthesis of the literature on Chinese luxury consumption. These four focus points constitute the research questions of this paper.

II. Review of Literature

In order to investigate our problem statement, we will review the literature on the luxury industry, on the one hand, and the Chinese luxury industry, on the other hand. This will serve as the theoretical background of our paper. To conclude this section, key points answering our four research questions will be formulated and thereafter confronted in the second chapter; the exploratory analysis.

1. Analysis of the Luxury Industry

1.1. What is luxury?

The luxury industry is ever-growing: it has tripled in size in 20 years and surpassed a retail value of €1 trillion in 2016 (D'Arpizio et al., 2016). Surprisingly however, there fails to be a universal agreement on the exact definition of luxury due to its relative nature. According to Bernard Arnault, founder CEO of LVMH, luxury is "the ordinary of extraordinary people and the extraordinary of ordinary people." An absolute definition of luxury seems unlikely to be reached. In this paper, luxury will be understood as a consumer product "[...] that exceeds the range of people's survival and development needs, and is with unique, scarce and precious features" (Lin & Huang, 2012, p.1377). More precisely, luxury goods are exclusive (Hudders, Pandelaere & Vyncke, 2013) and endowed with a high sense of taste and aesthetics (Kapferer, 2010). Quality and durability are well-documented characteristics as well (Vigneron & Johnson, 2004), whilst timelessness is also a key defining factor of luxury: classic and icon luxury goods, such as the Hermès Kelly bag, represent the highest shares of luxury sales (Kapferer & Bastien, 2009). Finally, premium pricing is probably the most cited defining criteria of luxury (Allèrès, 1990). Nevertheless, as pricey as it might be, a product would not belong to the luxury category if it was not imbued with social meaning (Zhang & Kim, 2013). Luxury products, indeed, are used as "social markers", as their consumption communicates prestige and status (Kapferer & Bastien, 2009). Its social function shows that luxury is not only about what people see (aesthetics, craftsmanship, price label, rare materials, high quality etc.) – i.e. tangible attributes –, but also about what it means to wear luxury and the psychological experience it provides – i.e. intangible attributes. All in all, luxury products emphasize hedonism and status over functionality (Kapferer & Bastien, 2009) and can therefore be defined as hedonist and symbolic products (Solomon et al., 2006; Jung & Lee, 2006).

Luxury products are hard to categorize, as there is a broad range of potential categories with disputed boundaries. D'Arpizio et al.'s (2014) categories will be used in this paper, as it is well documented and complete. D'Arpizio et al. identify 9 groups: personal luxury goods, cars, luxury hospitality, luxury cruises, designer furniture, fine food, fine wines and spirits, yachts and private jets. Personal luxury goods will be the focus of this paper.

1.2. What is a luxury brand?

Products are often meaningless without the brand that accompanies them, and this is especially true for luxury goods. Customers are not only buying a product, they are buying a brand and the lifestyle it depicts. Kapferer noted that "luxury brands are highly associated with their core products" (2008 in Heine, 2012, p. 62). Therefore, the constitutive elements of luxury brands are similar to those of luxury products. We will conceptualize the luxury brand as being constructed of tangible and intangible values (see table 1).

Table 1 – Tangible and intangible luxury brand features

Luxury Brand features	
Tangible	Intangible
Sell luxury products	Heritage and history
Consistent delivery of premium quality	Recognizable style or design
Limited production run to ensure objective exclusivity and scarcity	Subjective rarity
A marketing program that combines emotional appeal with product excellence	A global reputation
An element of uniqueness to each product	The personality and values of its creator
Innovation and design shift	Corporate identity, culture and spirit
Excellent customer service	Creation of a lifestyle
Superb store presentation	

Source: Jackson, 2004; Nuño & Quelsh, 1998; Phau & Prendergast, 2000; Li, Li & Kambele, 2011; Beverland, 2004; Alleres, 2003 in Fionda & Moore, 2009; Fionda & Moore, 2009; So, Parsons & Yap, 2013; Hudders, Pandelaere & Vyncke, 2013; Caniato et al., 2009; Kapferer & Bastien, 2009.

Bain & Co and Altagamma Foundation segment the luxury market according to brand positioning. They call this segmentation "the luxury pyramid", which is inspired by Allèrès' luxury hierarchy (1997). The pyramid comprises three segments: Absolute Luxury, Aspirational Luxury and Accessible Luxury. The upper segment, "Absolute Luxury", includes brands such as Hermès that produce unique pieces handcrafted with precious materials (Orlovic, 2003). The "Aspirational Luxury" segment is made of brands such as Gucci. This segment reproduces the made-to-measure items in limited series (Orlovic, 2003). The "Accessible Luxury" segment refers to brands such as Burberry or Coach: products are standardized, industrially produced and "affordable" (Saviolo, 2015). Our focus, in this paper, will be the Aspirational Luxury segment.

1.3. What motivates consumers to buy luxury?

The demand for luxury products is not solely tied to economic factors, such as income (Tynan et al., 2010). To understand the motives behind purchasing luxury goods, we will take inspiration from the consumers' perspective conceptualized by Wiedmann and Hennigs (2013). According to Wiedmann and Hennigs, there are four types of dimensions affecting purchasing intentions: the financial, functional, individual and social dimensions. However, the financial dimension being closely linked to the social one, we will use a simplified tridimensional model (similar to Berthon et al. (2009)'s model) (see figure 1) composed of the functional, individual and social dimensions.

Figure 1 - Tridimensional model of luxury consumers' motivations



Source: the authors based on Wiedmann & Hennigs, 2013 and Berthon et al., 2009.

1.3.1. Functional dimension

The functional value refers to the core benefits and basic utilities of a product (Wiedmann, Hennigs & Siebels, 2007). It includes attributes such as reliability and durability (Sheth, Newman & Gross, 1991). Quality is indeed often mentioned as a key functional attribute explaining purchasing intentions of luxury brands. As suggested by Vigneron and Johnson (1999), consumers drive reassurance from buying luxury brands, as they trust their quality.

1.3.2. Individual dimension

The individual dimension refers to intrinsic goals, which are "[...] internally orientated and pursued for 'autonomous reasons' - that is, for the sake of satisfaction, enjoyment, or personal meaning derived from their attainment" (Truong, 2010, p.655). There are two sub-dimensions of the individual value that come into account when buying a luxury product: the affective and the symbolic dimension (Tsai, 2005).

Affective dimension: the affective dimension commonly refers to hedonic pleasure and self-gifting (Tsai, 2005). Dubois, Laurent and Czellar (2001, p.13) mentioned that luxury provides access to "a dream-like world", as consumers feel "beautiful, strong, powerful [and] freed from the frustrations of life", thereby boosting their self-esteem (Wang & Griskevicius, 2014). Luxury products typically provide psychological benefits such as "sensory pleasure, esthetic enjoyment, and excitement" (Zhan & He, 2011, p.1454; Sheth, Newman & Gross, 1991).

Symbolic dimension: the symbolic dimension refers to the expression of one's internal-self through the use of a product (Tsai, 2005). Indeed, consumers might buy luxury in order to express or build their individuality through a congruous brand identity (Zhan & He, 2011; Chen & Lamberti, 2015).

1.3.3. Social dimension

The social value refers to extrinsic goals which are centered on the judgment by others, the gain of social praise (Truong, 2010) and on the perceived utility of consuming luxuries within a social context (Wiedmann, Hennigs & Siebels, 2007). The key factor explaining the purchase of luxury goods from a social point of view is status symbolism (Kastanakis & Balabanis, 2014), hence "the [...] desire to gain status or social prestige from the acquisition and consumption of goods" (Goldsmith et al. in O'Cass & McEwen, 2004, p. 26). Status can either be gained by fitting in - being part of the "affluent lifestyle" - or standing out - being different from the majority of consumers (Kastanakis & Balabanis, 2014). These two phenomena respectively point out to the bandwagon effect and the snob effect and both result from the Man's desire for social stratification (Kapferer, 2009).

Snob effect: "by the snob effect we refer to the extent to which the demand for a consumers' good is decreased owing to the fact that others are also consuming the same commodity [...] it represents the desire of people to be exclusive; to be different; to dissociate themselves from the common herd." (Leibenstein, 1950, p.189). The "snobs" value goods that few own (Kastanakis & Balabanis, 2012) and therefore find scarce luxury brands appealing, as they confer status through dissociation and "are appreciated by similar like-minded significant others" (Kastanakis & Balabanis, 2014, p. 2150).

Bandwagon effect: "by the bandwagon effect, we refer to the extent to which the demand for a commodity is increased due to the fact that others are also consuming the same commodity. It represents the desire of people to purchase a commodity [...] in order to conform with the people they wish to be associated with" (Leibenstein, 1950, p.189). The bandwagon effect can be considered as the "mirror" of the snob effect (Roy & Majumdar, 2006). "Bandwagon" consumers therefore find popular brands appealing, as "popular luxury goods confer status of being associated with the right status groups (and dissociated from non-status groups)" (Kastankis & Balabanis, 2014, p.1250).

1.4. How do individuals consume luxury?

As mentioned in the previous section, three forces are driving people to buy luxury goods: functional, individual and social forces. Social forces are driven by the desire of consumers to acquire status. In this section, we argue that there are two ways to gain status through luxury consumption: by consuming "conspicuously" or in an "understated" manner.

1.4.1. Veblen effect and conspicuous consumption

"By the Veblen effect we refer to the phenomenon of conspicuous consumption; to the extent to which the demand for a consumers' good is increased because it bears a higher rather than a lower price" (Leibenstein, 1950, p.189). In other words, it is said that there is a Veblen Effect "[...]when consumers exhibit a willingness to pay a higher price for a functionally equivalent good" (Bagwell & Bernheim, 1996, p.349). Thorstein Veblen's theory is motivated by the belief that individuals crave social status, and that this can only be achieved through the evidence of wealth, hence conspicuous consumption (Bagwell & Bernheim, 1996). Veblen is the first author to apprehend the notion of "conspicuous consumption" and consistently defines it as "extravagant spending on products intended chiefly to display wealth and thus signal status" (Nunes, Drèze & Han, 2011, p.200). He also explains it as a "deliberate, conscious activity to achieve the objective of status enhancement [...]" (Roy & Majumdar, 2006, p.3). Consumers therefore use luxury goods and brands conspicuously to communicate their status and level of prestige (Wang & Griskevicius, 2014). Brands play a significant role in conspicuous consumption: "Brands assist the signaling process through visible logos and explicit patterns" (Bergher & Ward, 2010, p.555). The interconnected G's of Gucci and the Louis Vuitton Monogram ease communication and infer about the wearer's values and motivations (Bergher & Ward, 2010).

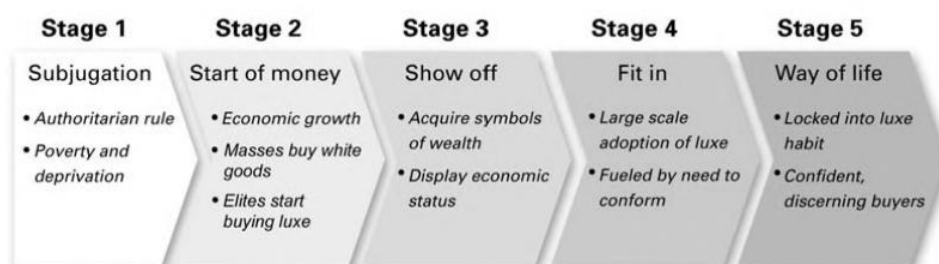
1.4.2. Understated luxury consumption

As opposed to conspicuous consumption, status can be conveyed by consuming in subtler manners, which will be understood in this paper as "understated luxury consumption" (O'Cass & McEwen, 2004). While explicit signals simplify inferences, subtle signals are recognized by consumers who have the necessary connoisseurship to understand their meaning (Bergher & Ward, 2010). Bourdieu defines this connoisseurship as "cultural knowledge", a knowledge that enables group members to recognize subtle clues that might be missed by outsiders (Bergher & Ward, 2010). "Cultural capital allows people to gain the respect of, and to coordinate with, similar others because it allows them to consume things that only people who have acquired certain abilities can actually consume" (Bergher & Ward, 2010).

1.5. The Spread of Luxury, an Asian perspective

To conclude this chapter dedicated to the overall luxury industry and to introduce the following chapter focusing on Chinese luxury consumers, we will discuss how luxury spreads across societies, and more specifically, Asian countries, through Chadha and Husband's "Spread of Luxury Model". According to Chadha and Husband (2006), the spread of the luxury across Asian societies has typically followed five stages: subjugation, start of money, show off, fit in and way of life (see figure 2). It is important to note that wealth spreads across layers of society in a successive manner, such that within one country, different layers have reached different stages of luxury adoption (Chadha & Husband, 2006).

Figure 2 - The Spread of the Luxury model illustrates how the luxury culture spreads across Asian societies



Source: Chadha & Husband, 2006, p.43.

1.5.1. Subjugation

The first stage is subjugation: poverty and deprivation are the common rule, as citizens lead a underprivileged life characterized by tough labour and little money (Christiansen, Yildiz & Yildiz, 2014). Subjugation is an essential first stage: years of deprivation build a strong hunger for consumption (Chadha & Husband, 2006).

1.5.2. Start of money

Start of money is the second stage of the model and arises when the economy grows: people begin to experience for the first time what it is like to have money. At this stage, a small group of high-end consumers already benefit from luxury goods (Chadha & Husband, 2006).

1.5.3. Show off

Showing off is considered as the third stage: wealth is gradually spreading across multiple layers of the society and, when people have extra money for the first time, they like to show it. People buy luxuries as symbols of prosperity, in line with what Veblen observed in 1899: "No point merely possessing wealth, you have to make sure it is 'always in evidence' to gain the esteem of others" (Veblen in Chadha & Husband, 2006, p. 44). Luxury companies make sure their products are heavily branded, as consumers seek status markers to display them conspicuously (Christiansen, Yildiz & Yildiz, 2014).

1.5.4. Fit in

In the fourth stage, luxury goods are not used for mere display anymore, but become a social necessity to "fit in". There is a large-scale adoption of goods fuelled by the need to conform. At this stage, the collectivist nature of Asia surfaces: if your social group wears Louis-Vuitton, then you need to have one as well, at the risk of being judged as "socially deficient" (Chadha & Husband, 2006; Christiansen, Yildiz & Yildiz, 2014).

1.5.5. Way of life

In the last stage, buying luxury has become a "way of life", a habit that consumers cannot resist anymore: once you have been used to wearing Dior dresses, it is hard to switch to a Zara-branded dress. As such, consumers have become confident, discerning and strongly engaged with luxury brands (Christiansen, Yildiz & Yildiz, 2014).

2. Analysis of the Chinese Luxury Industry

Now that the basic theoretical concepts have been defined, we can finally address the heart of the matter: the Chinese luxury industry. In this second part of the review of literature, we will attempt to theoretically answer the paper's research questions. It is already important to clarify the concept of "1st tier city". Since China's economic development is unbalanced, "tiers" have emerged as a straightforward classification system of the country. There is no objective definition of what characterizes "tier 1" cities, since numerous criteria – economic development, infrastructure, population density, political significance – can be taken into consideration. However, it is generally acknowledged that Beijing, Shanghai, Guangzhou, and Shenzhen ("The Big 4") are tier 1 cities (American Chamber of Commerce in Shanghai, s.d.).

2.1. What motivates Chinese consumers to buy Luxury?

In this section, we will analyze what drives Chinese consumers' desire for luxury through a brief historical analysis on the one hand, and a cultural analysis, on the other hand.

2.1.1. Brief historic overview of China

2.1.1.1. Early history and manifestations of luxury

China, through its various dynasties, has a long history of luxury consumption, even longer than that of the Western world. This can be seen through the numerous museums dedicated to Chinese relics. The famous Silk Road, a network of trade routes linking Mediterranean ports to China, enabled the exchange of luxuries making up China's reputation for richness and refinement (Freer Gallery of Art, 2016). Economic growth and prosperity led to the development of numerous cultural artifacts, especially during the Han Dynasty: "With their extravagant clothes, gourmet cuisine, lavishly appointed quarters and fleets of carriages, the Han nobility lived lives of ultimate luxury" (Asian Art Newspaper, 2012). The Han nobility embraced luxuries in every aspect of their lives, creating an affluent and glorious lifestyle that still fuels China's imagination today (Violatti, 2013). China's love for luxury can therefore be seen as a longing to the ancient elite's glorious lifestyle (Degen, 2009).

2.1.1.2. Contemporary China

Three major revolutions have shaped China as we know it today: The Communist Revolution, The Cultural Revolution and The Consumer Revolution.

The Communist Revolution (1949)

China's communist past is important to mention as a lot of studies show that ex-communist societies tend to be more materialistic than fully developed economies (Sun, D'Alessandro & Johnson, 2014). On 1st October 1949, Mao Zedong gave the founding principles of the People's Republic of China, thereby becoming its President. He promoted the abolition of hierarchy and considered that the possession of goods did not lead to happiness; meaningful work for the country is what would fulfill citizens (Sun, D'Alessandro & Johnson, 2014). Mao's regime was characterized by a rigid central planning resulting in an economy where trade and foreign exchange were completely controlled by the state. Heavy industry was favored over consumer goods, leading to serious consequences on citizens' material lives: "individual consumption was sacrificed for the nation's primitive capital accumulation and the provision of consumer goods was kept at the basic level required for the reproduction of labor powers [...] Extravagance was a constant target of social criticism" (Zhao, 1997, p.46).

The Cultural Revolution (1966 – 1976)

From 1966 to 1976, Mao decided to ban culture and craftsmanship from society (Lu, 2013). He created, as Lu (2010) calls it, a "cultural void" by destroying sophisticated Chinese artisans' creations. "The Cultural Revolution was designed to wipe out all "culture" in the traditional sense, a brutal equalization perpetrated by demolishing the elite and bringing everyone down to the same coarse level of existence" (Chadha & Husband, 2006, p.143).

The Consumer Revolution (1978 – today)

The political ideology of Mao and the failure of its egalitarian socialism were soon replaced by Deng's pragmatism in 1978. Deng Xiaoping, China's new leader, proceeded in an economic reform by building a socialist market economy and introducing the famous "Open Door Policy" (Wei, 1993). The objective was to "[...] achieve economic growth through the active introduction of foreign capital and technology while maintaining [China's] commitment to socialism [with the aim to] rebuild its economy and society that were devastated by the Cultural Revolution" (Kobayashi, Baobo & Sano, 1999). In line with his "socialist market economy", he quoted that it had now become glorious to be rich (Yang & Stening, 2013). Deng's reform resulted in better material living conditions as well as higher incomes (Sun, D'Alessandro & Johnson, 2014). These economical and governmental changes have had four major consequences: the emergence of a consumerism culture, a soar in entrepreneurship, higher self-confidence and extravagant spending on the single child:

Consumerism culture: Deng's revolution has driven China to become a consumer market and culture. Chinese are now buying not only for utilitarian reasons, but also for hedonic motives, which explains the surge in popularity of Louis Vuitton bags, Rolex watches or Chanel perfumes (Wang & Lin, 2009).

Entrepreneurial boom and pursuit of richness: Deng's reform led to new beliefs, to the "pursuit of wealth and success", revolutionizing the traditional Chinese principles of frugality and modesty (Mo & Roux, 2009). Affluence became a "cultural fixation" (Henriksen, 2009). As a result, a considerable amount of entrepreneurs and venture businesses arose (Kobayashi, Baobo & Sano, 1999) leading to a society characterized by the strong presence of ultra-wealthy people. As China's classless society was slowly disappearing, income became a straightforward way for the Chinese to differentiate themselves and climb up the social ladder (Lu, 2013).

Optimism and ambition: Chadha & Husband (2006) identify the "rags to riches syndrome", a syndrome by which consumers combine both extravagant ambition and unrestricted expenses. "This is China's secret – a large enough class of people who are fired with intense ambition and a great belief in their ability to succeed" (p.155).

Little Princes: resulting from the very scarce living conditions under Mao, we see the "Single Child Generation" getting the full attention of their parents and grandparents and we also witness the appearance of the compensation phenomenon: "the phenomenon in which because the parents grew up with limited consumption alternatives, they take pleasure in being able to provide their children with the goods that they never had" (Belk, 2002, p.339).

This quick overview of China's past already enables the reader to understand the historical importance of luxury.

2.1.2. Cultural analysis of China

This second part of the analysis of the Chinese luxury industry will be dedicated to the Chinese culture. Indeed, it has been proved that cultural values play a strong role for the consumer, by orienting its behaviors, attitudes and judgments (Zhang & Jolibert, 2003).

2.1.2.1. China's Confucian culture

Confucius is a philosopher (551 – 479 BC) who had the most important influence on China's culture and way of thinking. He "advocated a hierarchical, authoritarian social system, within which every member had a clearly defined role" (Jing & Xiaolan, 2001, p. 408). Confucianism is not a religion, but rather a moral philosophy that gives certain rules for social interactions and behaviors. Confucius asserted that hierarchy is needed to enhance peace and stability: everyone must have a determined position in the society and refer to a superior authority to achieve social harmony (Zhang & Jolibert, 2003). Some Confucian values slowly faded away with the economic reforms. Others are still very present and influence Chinese consumption patterns. In this paper, we will focus on the following values: group orientation, Mianzi and Guanxi (Xiao, 2008 in Krawczyk 2012).

Group Orientation: according to numerous authors, China has a strong collective behavior. Hofstede's research (2015) defines collectivism as "[...] a preference for a tightly-knit framework in society in which individuals can expect their relatives or members of a particular in-group to look after them in exchange for unquestioning loyalty." Collectivist cultures are characterized by steady social hierarchies (Wong & Ahuvia, 1998). Behaviors should follow the norm and be in line with the in-group's expectations to ensure harmony in the "social organism" (Krawczyk, 2012; Kuksov & Xie, 2012). As a consequence, peer-pressure plays a considerable role in consumption behaviors, as Chinese consumers look closely at the social meaning of products and use material possessions to seek approval and secure their social position (Zhan & He, 2011; Chow, 2011). "Inferior peers try to enhance their status by buying products with well-known and strong brands, recommended by higher status members of the peer group" (Meister, Cimarosti & Dai, 2012, p.10).

Face (Mianzi): face (Mianzi) can be understood as one's "public image" and dignity and is a result of social interactions (Sun, D'Alessandro & Johnson, 2014, p.579). Seeking face is about continuously maintaining and enhancing respect, social acceptance (Ye, Bose & Pelton, 2012) and social self-worth (Zhang & Kim, 2012). Mianzi is a social construct, thereby depending on how one is perceived by others (Henriksen, 2009). The easiest way to gain face in China is through success, wealth and status (Lin, Xi & Lueptow, 2013; Leung & Chan, 2003). Because of the importance of face, Chinese consumers are concerned with others' perceptions of them, which is a straightforward explanation to why Chinese consumers adore luxury goods (Wong & Ahuvia, 1998). Simply put, Chinese consumers buy luxury goods to improve and maintain their face (Wang, Sun & Song, 2011). Face consciousness induces Chinese consumers to be on average more attentive to the extrinsic attributes (logo, brand, price) than the intrinsic attributes (quality, value) of a product (Bao, Zhou & Su, 2003).

Relationships (Guanxi): Guanxi means "interpersonal relations" and refers to "an informal, particularistic personal connection between two individuals who are bound by an implicit psychological contract" (Chen & Chen, 2004, p.306). It is a cultural orientation that promotes traditional principles such as hierarchy, interdependence and reciprocity, leading to "strict-ordering relationships" (Sun, D'Alessandro & Johnson, 2014). Guanxi implies that the importance given to one's voice will depend on his position in the social structure. "It is the most important social-business resource of an individual Chinese" and is a strong determinant of corporate success (Qian, Razzaque & Keng, 2007, p.215). To enter in a favorable relationship, numerous Chinese look up to higher social classes and purchase goods that display wealth and achievement (Sun, D'Alessandro & Johnson, 2014).

2.1.2.2. China's gift-giving culture

Chinese gift-giving culture is tightly linked to establishing Guanxi and Mianzi, as the practice of gifting reflects the social hierarchy within the Chinese society (Wang, Sun & Song, 2011). Gift-giving has had a considerable importance in China because Chinese seek harmonious relationships which are supported by such practice. Furthermore, consistent with China's face-saving and Guanxi culture, "Chinese consumers tend to believe that the more expensive the gift, the more recognition will be gained, the more "face" will be obtained, and the better relationship will be achieved" (Wang, Sun & Song, 2011, p.348; Richemont, 2014).

2.1.2.3. China's culture influenced by Western culture

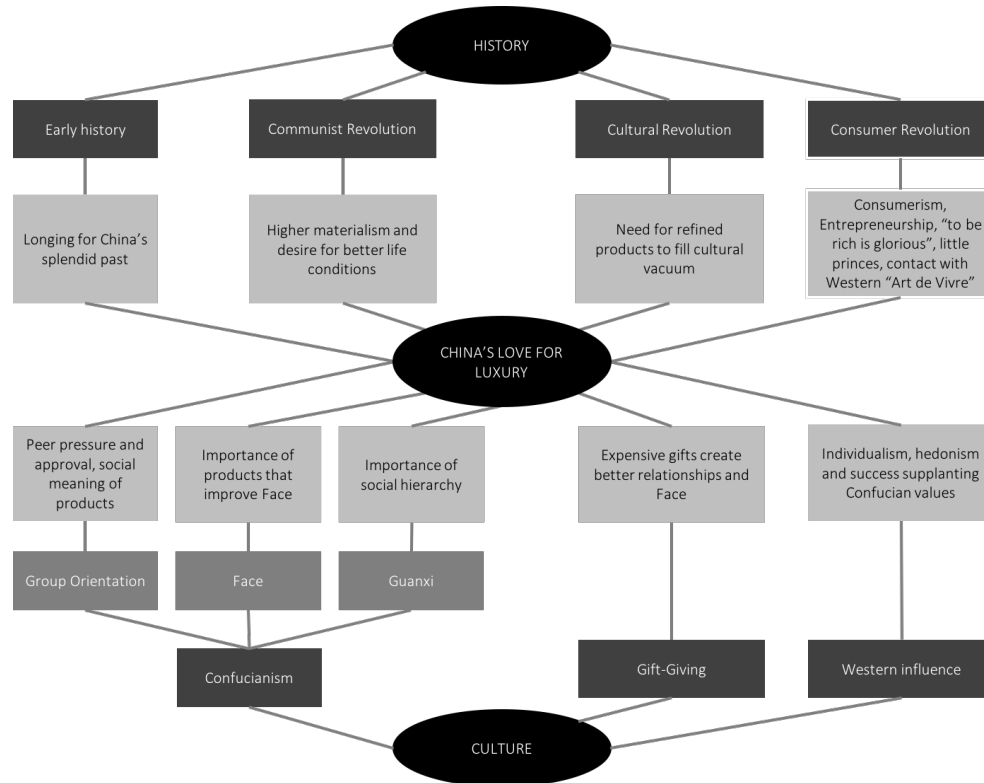
Since opening their economy to the world, the Chinese traditional culture has been influenced by the Western world. Indeed, Chinese consumption is shifting towards individualism and hedonism, more than ever before (Zhan & He, 2011). The improvement of China's socio-economic conditions triggered a lust for traveling, which led Chinese to experience new values, such as individualism and personal freedom (Liu, 2015, p. 192). "The rhetoric of wealth as achievement has supplanted the Confucian language of humility" (Wong & Ahuvia, 1998 in Henriksen, 2009, p.42). Today, both Western and Eastern values coexist in China's value system, which some have called cultural pollution (Liu, 2015).

Figure 3 summarizes our historical and cultural analysis.

2.1.3. An application of Wiedmann and Hennigs' simplified tridimensional model

Now that we understand what culturally and historically drives Chinese to consume luxury, we will

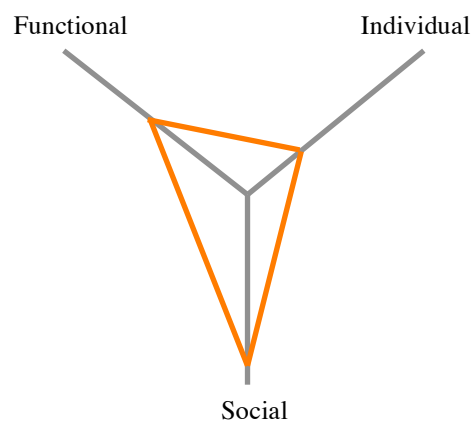
Figure 3 – Visual summary of the authors' historical and cultural analysis



Source : the authors.

apply the simplified model of Wiedmann and Hennigs to China's 1st tier luxury market. Figure 4 is a rough representation of the extent to which Chinese motivation for luxury purchases are represented by each dimension of the model. It is important to note that this figure is not based on a quantitative analysis, but is the author's interpretation of the literature with the purpose to enhance the reader's understanding.

Figure 4 – Wiedmann and Hennigs' simplified tridimensional model applied to China



Source: the authors.

For Chinese consumers, the social dimension is mostly what motivates their purchasing behaviors. "Compared with Western consumers, the luxury goods consumption of Chinese consumers should be more socially oriented: their luxury possessions tend to represent their positions in the social hierarchy, which is crucial in Confucian societies" (Mo & Roux, 2009). The functional dimension is also more salient than the individual one, as Chinese consumers are value conscious: they pay close attention to the price/performance of products and their functional benefits (Zhan & He, 2011).

2.2 How do Chinese Consume Luxury?

In this part of the review of literature, we will analyze how Chinese consume luxury goods, in the light of the cultural and historical background.

2.2.1. Veblen effect and conspicuous consumption

It cannot be denied that Chinese consumers have been conspicuous luxury consumers. There are a lot of reasons behind this behavior. First of all, private wealth was eliminated under Mao, hence many Chinese who are rich today only knew poverty. Once China opened its doors to the West, Chinese entrepreneurs started to make money. These now-wealthy Chinese all have one thing in common: they are "nouveaux riches". They were earning money for the first time, "and [couldn't] wait to show it to everybody" (Degen, 2009, p.79). The cultural revolution also had a major impact on how luxury is consumed: "it's like starting with a blank slate, where there are no yardsticks for beauty and elegance, no standards for what is tasteful or not" (Chadha & Husband, 2006, p.143). Additionally, due to the consumer revolution, wealth became the criterion defining social status: it is through the loud display of affluence that individuals climb up the social ladder (Chow, 2011). Furthermore, due to China's strong collectivist culture, Chinese consumers prefer visible brands that provide social membership. It has been observed that consumption increases when a brand could be recognized by others, even though the consumers would possess close to no knowledge about that brand (Kuksov & Xie, 2012). Last but not least, face plays a strong role in Chinese's tendency to portray conspicuous behaviours: Chinese will wear overt brands to strengthen their external image (Chen, Yeh & Wang, 2008).

2.2.2. Understated luxury consumption

According to Atsmon et al. (2011), luxury consumption is increasingly understated in China: "More than half of China's luxury shoppers say they want less showy fashion, up from only 32% in 2008." (p. 20). Authors assert that China has reached its next "stage" of consumption: as socio-economic factors stabilize, consumption evolves from ostentation to experience. Consumers are said to buy luxury products for their content rather than their form and are increasingly attentive to taste (Dubois, 2014). Indeed, trends of a slowdown in conspicuous consumption have been strongly documented in recent years and mainly attributed to four factors. First of all, in 2012, the President of the People's Republic of China, Xi Jinping, launched a campaign to eradicate corruption from the Chinese administration (Solca, Bertini & Fan, 2015). This corruption crackdown campaign has had a major influence on how Chinese consume luxury: "[Luxury] was the mark of legitimacy – the very expensive badge of having made it – but now it is starting to be seen by the Chinese population as the spoils of ill-gotten gains" (Bainbridge, 2013). Secondly, Chinese consumers are starting to "mature". It has been reported that Chinese are turning their luxury purchases to self-reward rather than simple showing off. They now focus on heritage, craftsmanship, quality and taste more than ever before (Ogilvydo, 2014). Consumers are looking for authenticity: "If old luxury is characterized by over-consumption and ostentation, the new luxury involves people looking for the story behind a brand or label" (Bainbridge, 2013). Thirdly, brand fatigue is reaching a tipping point. Today, a typical luxury consumer might think: "I can't buy Vuitton, I've seen it too much, it's a brand for secretaries" (Willet, 2015). The slowdown for logo branded luxury goods can thus be explained by the "scarcity principle": the rarer it is, the more it will be attractive. Counterfeited luxury goods worsen this phenomenon and lead to an overall logo fatigue. Last but not least, the emergence of a younger consumer generation also explains a distancing from conspicuousness. These "young consumers" are part of the hyper connected and tech-savvy generation who has been sent abroad in boarding schools (Dubois, 2014). They are very active on social media and, through the spread of blogs dedicated to fashion, are increasingly willing to experiment new styles

and express their individuality (Parent, 2014). What they value nowadays is not "how others perceive me" but rather "how I feel".

2.2.3. China's luxury development stage

Now that we understand "how" Chinese consume luxury, and how their conspicuous behaviour has gradually evolved, it is possible to draw a theoretical conclusion on where China stands in terms of luxury development stage by applying Chadha and Husband's "spread of the luxury model" (2006). If we refer to the literature, it seems that Chinese consumers in tier 1 cities would be oscillating between "Fitting In" – Stage 4 – and "Way of Life" – Stage 5. Indeed, the rich have already shown their wealth and are turning to subtler and more mature forms of luxury. Brand fatigue, the President's anti-corruption campaign and the appearance of a fashion-savvy and individualistic young generation have also fuelled this transition. However, since status along with collectivism are still strongly embedded in China's Confucian culture, the conforming consumer has not disappeared.

2.3. Chinese Consumer Profiling

After having analyzed what motivates Chinese consumers to buy luxury, on the one hand, and how they consume luxury, on the other hand, it is now possible to segment the 1st tier luxury market. To this end, we will use a socio-demographical segmentation. We gathered 21 segmentations from scientific literature, business reports and press articles and summarized them in table 2. Each segmentation source has been evaluated from low quality (V) to high quality (VVV) (and average VV). The quality has been assessed based on the author's expertise, the targeted audience (eg. companies vs internet readers), recency, sponsoring organization and methodology. For scientific articles, the quality has additionally been assessed on peer reviews, journal ranking and the structure of the article (de Moerloose, 2016). On top of the segmentations' quality, their relevance for this research has also been evaluated. Indeed, since the aim of this research is to assess whether or not conspicuousness is still topical, we need to identify segments that can be compared in terms of ostentatiousness. Furthermore, we need segments that are mutually exclusive and represent consumers from tier 1 cities. We therefore desire to take age, income and profession into consideration, consistent with our objective to create a socio-demographical segmentation. Relevance has thus been assessed from low (V) to high (VVV), based on the segmentation's applicability to the research's problematic, mutual exclusiveness of the segments and whether or not the segmentation was socio-demographical. All of these segmentations have been used, according to their respective quality and relevance, to create our own. Our goal was to identify distinct segments of luxury consumers having homogeneous features in terms of consumption and demographical profiles. Therefore, we took inspiration of a qualitative research tool: thematic analysis, which is defined as an analytical technique aiming to describe objectively and systematically the content of qualitative data to regroup it into predetermined categories (François & Pellemans, 1979). Based on that technique, our analysis was performed in the following order. We first of all focused on the segmentations with high quality and relevance to choose the segmentation that would be used as a reference point and tentative categorization basis (Ngai & Cho, 2011). We selected Hartmann and Brennan's segmentation due to its great relevance, quality and exhaustiveness. This segmentation served as a general frame of mutually exclusive categories to classify and group information of similar nature. We then analyzed and decomposed each segmentation to identify similarities and dissimilarities with Hartmann and Brennan's segments in terms of consumer behavior and motivation: analogous information was put in the corresponding segment/category. Every time information was assigned to a category, we verified that it was consistent with the existing information, to ensure the congruency of each segment (Glaser and Strauss, 1967 in Ngai & Cho, 2011). When we found information that differed from Hartmann and Brennan's categories, we analyzed its relevance with regards our objective: does this information apply to 1st tier cities? Does it enable making a socio-demographical segmentation? Does it reflect differences in conspicuous behaviors? If the information appeared relevant, a new category was created. Similarly, if we noticed that different categories were insignificantly different from each other in terms of content, they were merged. This process was repeated for all the segmentations, by giving decreasing weights to those with lower quality and relevance.

Table 2 – Evaluation of the segmentations found in scientific literature, business reports and press articles

Author(s)	Identified segments	Quality	Relevance
Atsmon et al. (2011)	The "Luxury role models", the "Core luxury buyers", the "Fashion fanatics" and the "Middle class aspirants" – socio-demographical and lifestyle segmentation	VV	VVV
Atsmon et al. (2012)	"Tenured" and "Non-tenured" consumers – behavioral segmentation	VVV	V
Atsmon & Dixit (2009)	The "Luxuriant", the "Demanding", the "Flashy", the "Urbane", the "Climber", the "Down to earth" and the "Enthusiast" – socio-demographical and lifestyle segmentation	V	VV
Atsmon & Magni (2012)	The "Affluent", the "Mainstream", the "Value" and the "Poor" – socio-demographical segmentation	VVV	V
Bain & Co (2013)	The "Aspirants", the "Fashion Addicts", the "Nouveaux Riches" and the "Core Customers" – socio-demographical segmentation	VVV	VVV
Chadha & Husband (2006)	The "Nouveaux riches", the "Nouveaux cools" and the "Nouveaux chics" – socio-demographical and lifestyle segmentation	V	VVV
Chow (2011)	The "New Generation of luxury buyers" – socio-demographical segmentation	VV	VVV
D'Arpizio (2014)	The "Opinionated at 360°", The "New comers: Wannabe" and the "Price sensitive" – lifestyle and behavioral segmentation	VVV	VV
Debnam & Svinos (2007)	The "Traditional Business Elite", the "New Luxury Shopper", the "Empowered Women" and the "Little Emperors" – socio-demographical segmentation	V	VVV
Fashionbi Magazine (2013)	The "Younger Generation", the "Middle Income Level", the "Older Generation" and the "High Earners" – socio-demographical segmentation	VV	VVV
Gao et al. (2009)	The "Achievers", the "Conservatives", the "Experiencers", "The followers" and the "Idealists" – lifestyle and benefits segmentation	VV	V
Hartmann & Brennan (2014)	The "Nouveau Riche", the "Local Sophisticate", the "International Sophisticate", the "Official/Corporate Delegation Member", the "Aspirational" and the "Second Generation" – socio-demographical segmentation	VVV	VVV
Heine & Gutsatz (2014)	The "Young Emperor" generation – socio-demographical segmentation	VVV	VVV
Jing Daily (2016a)	The "Aficionado", the "Epicurean", the "Bling King", the "Skeptic" and the "Aspirant" – lifestyle segmentation	VVV	VV
Ngai & Cho (2011)	The "Overseas Pack", the "Self-established Cool", the "Luxury Followers" and the "Spirituals" – lifestyle and behavioral segmentation	VV	VV
Richemont (2014)	The "Potlatch Luxury", the "Trophy Luxury", the "Civilized Luxury" and the "Inner Circle Luxury" – socio-demographical segmentation	VVV	VVV
Roland Berger (2012)	The "Era leader", the "Wealthy Second Generation", the "Ambitious Elite", the "Savvy Investors", the "Stylish White Collars" and the "Gift Buyers" – socio-demographical segmentation	VV	VV
Rovai (2016)	The "New-comers" and the "Young Affluent" – socio-demographical segmentation	VVV	VVV
Rovnick (2012a)	The "Secretaries", the "Provincial New Money" and the "Top Affluent" – socio-demographical segmentation	V	VV
Solca, Bertini and Fan (2015)	The "Rich Early Adopters" – behavioral and socio-demographical segmentation	VVV	VVV
WWD (2008)	The "Aspirationalists", the "Chuppies", the "Big Stylers" and the "Parasite Singles" – lifestyle and socio-demographical segmentation	V	VV

As a result of this analysis, we have retained four core segments.

The middle-class first generation-wealth entrepreneurs (i.e. "Nouveaux Riches")

The "middle-class first generation-wealth entrepreneurs" are just getting familiar with luxury products. According to Atsmon et al. (2012), this consumer group can be opposed to tenured consumers – those that have bought luxury goods for a long time: this segment has just acquired the income level to afford luxury brands and is therefore avid to show off its newfound wealth. Their objective is to consolidate their position within the social hierarchy by using luxury as a "trophy". They have little interest in the product's characteristics, as long as it conveys prestige (Richemont, 2014). They are the traditional "nouveaux riches" luxury consumers, those who deluge Louis Vuitton showrooms and favour ostentation rather than taste and knowledge (Rovai, 2016).

This segment is mainly composed of middle-class self-made entrepreneurs (D'Arpizio, 2014; Bain & Co, 2013). More specifically, they are "first generation" entrepreneurs (Hartmann & Brennan, 2014) and typically male, though their wives also account for bling bling purchases (Bain & Co, 2013). The age range of this segment is relatively wide, as tenure defines their behavior more than age. Their age varies from approximately 25 to 45 years old. For clarity, they will be called "Nouveaux Riches" throughout this paper.

The upper middle-class white collars (i.e. "International White Collars")

This consumer segment is interested in expressing both wealth and taste and is composed of "typically well-educated professionals in [...] middle-level positions at multi-national corporations who earn substantial salaries [...]". Its members hold an international mind-set thanks to workplace interactions and business trips abroad" (Chadha & Husband, p.167). They differ from the "Nouveaux Riches" through their international exposure and education (Hartmann & Brennan, 2014). Self-expression is important for this segment: this is due to an "immersion effect" from their travels abroad. They use combinations of brands, carrying famous brands along with subtler and stylish designer pieces (Richemont, 2014). This consumer group is prone to "snob" loud luxury brands, as they realize that some rich Chinese have a desire for flashy goods (Richemont, 2014). Purchasing niche brands therefore allows them to distinguish themselves from this group.

This segment is mainly composed of upper middle-class (Richemont, 2014) white collar consumers having contacts overseas (Atsmon et al., 2011). They have international careers - typically in finance or consulting - or are savvy investors and freelancers. They are relatively young (Hartmann & Brennan, 2014): their age ranges from 30 to 40 years old. For clarity, they will be called "International White Collars" throughout this paper.

The young international new generation (i.e. "Little Emperors")

This segment is composed of the post "80's and 90's" generation (Heine & Phan, 2013), as well as those born in the first decade of this century (Ngai & Cho, 2011). They have been given the nickname "Little Emperors/Empresses", as they come from the one child policy. This segment comprises the youngest consumers, who are very aware of global trends and fascinated by fashion (Chow, 2011). This "single child" generation is particularly different from the previous ones, as it has been educated and brought up in a branded world: they have therefore a lower fascination towards logos (Chadha & Husband, 2006). Most notably, this generation has grown up in a very culturally diverse environment: Japanese magazines, Korean pop, Hollywood, foreign education and Western products have all influenced their value system (Ngai & Cho, 2012). As a consequence, this consumer segment, on the one hand, is "cooler" – they look up trends and read foreign fashion magazines – and more individualistic – they were spoiled by their parents and grandparents (Debnam & Svinos, 2007). As their family indulges them with maximal resources and attention, this generation is the most educated, confident and self-centered (Heine & Gutsatz, 2014). Though more "rebel", this segment is also extremely ambitious, willing to study abroad to gain a competitive advantage over the local workforce (Fashionbi Magazine, 2013). Therefore, similarly to the "International White Collars", this consumer group travels considerably.

This segment is typically composed of young students, graduates and "fresh to the workforce" consumers. They studied abroad or travelled extensively (Bain & Co, 2013). Their key differentiation point with the International White Collars is their younger age (from 18 to 30 years old) and their passion for fashion, making them less "serious" and more "expressive" consumers. For clarity, they will be called "Little Emperors" throughout this paper.

The affluent second generation entrepreneurs (i.e. "Tenured Elite")

This last segment is very wealthy and has adopted a mature approach to luxury consumption. They are well-off males and females, having a high position in the social hierarchy and belonging to the older generation. Typically, they are ultra-wealthy second generation entrepreneurs, business owners or socialites (Bain & Co, 2013). They are the core luxury customers, purchase very expensive products and are focused on craftsmanship, experience and heritage. This segment is made of the "tenured" consumers (Atsmon et al., 2012). As the tenured have already consumed luxury for a long time, they are drifting away from ostentatious displays of wealth and favor smaller brands to distinguish themselves from the masses (Atsmon, Magni & Li, 2012). Like their Western counterparts, they consider luxury as a lifestyle and are attracted to personalized services and fine, exclusive pieces of luxury such as ancient Chinese art.

This segment is mainly composed of highly affluent "second generation" male self-made entrepreneurs, executives or business owners, along with their wives (Richemont, 2014). Their age ranges from 45 to 60 years old approximately. For clarity, they will be called "Tenured Elite" throughout this paper.

2.4. Determinants for conspicuousness

After careful synthesis of the literature on Chinese culture and luxury consumption, we have identified six key influencing factors shaping Chinese consumers' conspicuousness in tier 1 cities. These drivers affect the extent to which they tend to display conspicuous behaviors. Their importance varies according to each consumer segment:

Age/generation: the younger the consumers are, the less likely they are to be conspicuous;

Travel/international exposure: the more consumers are internationally exposed, the less likely they are to be conspicuous;

Tenure: the longer consumers have bought luxury and/or had wealth, the less likely they are to be conspicuous;

Interest in fashion/trends: the more consumers are interested in fashion and trends, the less likely they are to be conspicuous;

Governmental contact: consumers holding a governmental position are less likely to be conspicuous;

Confucian influence: the stronger Confucian beliefs are embedded in the consumers' value systems, the more likely they are to be conspicuous.

It is important to note that "tenure" and "age" are not contradictory drivers. Indeed, age does not take the amount of time consumers have been wealthy into consideration, whilst tenure refers to the "maturity" of Chinese consumers' wealth.

2.5. Conclusion of the literature review

The first part of this paper was fundamental to understand the complexity of the overall luxury industry, on the one hand, and of the Chinese luxury market, on the other hand. After reviewing a considerable amount of academic, scientific, corporate and press literature, we have, as a first step, understood the concept of luxury and conspicuousness, as well as examined what motivates consumers to buy luxury and what consumption behavior they display. As a second step, we have analyzed China's luxury industry, in order to answer the paper's problematic through its defining research questions. We have subsequently answered each research question from a theoretical point of view. We have first concluded, through Chadha and Husband's spread of the luxury model, that Chinese consumers are at the transition of Stage 4 – Fit In – and Stage 5 – Way of Life. We have then socio-

demographically segmented the Chinese 1st tier luxury market into four segments comparable in terms of ostentatiousness: the "Nouveaux Riches", the "Little Emperors", the "International White Collars" and the "Tenured Elite". Through the analysis of China's historical and cultural background, we have understood what motivates Chinese consumers to buy luxury and display conspicuous behaviors. By applying Wiedmann and Hennigs' model, we have thereby concluded that Chinese are mainly motivated by social considerations when purchasing luxury goods in order to "fit in with the rich". Lastly, we have identified six factors that influence Chinese consumers' conspicuousness: age, international exposure, tenure, interest in fashion trends, governmental contact and Confucian influence.

III. Exploratory analysis – Expert's interviews

The first chapter enabled us to lay down the theoretical foundation of this paper. Its theoretical conclusions will now be confronted in an exploratory analysis. This second chapter is based on interviews from corporate and academic experts, active in the field of luxury, marketing or sociology. The experts were based in Hong Kong, Beijing and Shanghai.

1. Methodology

The exploratory analysis consists in experts' qualitative semi-directive interviews. For this research, we used a non-random purposive sample of 16 experts (Palinkas et al., 2013). We ensured our sample was varied in composition with regards to expertise and socio-demographical characteristics (François & Pellemans, 1979). Therefore, both "Westerners" and "Asians", both academics and corporates, both conspicuous and non-conspicuous luxury brands and both strategists and retailers have been interviewed. The qualifications of the interviewees have also been taken into consideration. We therefore interviewed experts from leading luxury companies (LVMH and Richemont for instance), as well as reputable local universities (Tsinghua University for instance). In terms of data analysis, we decided to apply a thematic analysis, which "is a method for identifying, analyzing and reporting patterns (themes) within data. It minimally organizes and describes [...] [the] data set in (rich) detail" (Braun & Clarke, 2006, p.6). Due to the exploratory nature of our analysis, precisely quantifiable conclusions applicable to the entirety of the Chinese population will not be achieved. Instead, hypothetical conclusions will be drawn, that will serve as basis for future quantitative research on the Chinese conspicuous luxury behavior (Lambin, 1990).

2. Results

We will now discuss the results of the thematic analysis. These results aim to answer the four research questions, in order to provide hypothetical responses to the paper's problematic "is it the end of the logomania in China's luxury market?". We will first overview the general tendencies in the first tier cities. Then, as experts have emphasized that we cannot make conclusions at the scale of an entire market, we will delve more precisely into the consumer segmentation.

2.1. General tendencies

2.1.1. Evolution of the Chinese consumer behavior

In general, experts recognize that a certain subtlety is emerging in the first tier markets. Yet, they maintain that Chinese consumers are conspicuous; hence, this move towards subtlety is only happening to a certain degree and with numerous nuances.

Chinese, indeed, tend to display fewer logos in their clothing and accessories. This decrease in logos has been noted by the social media platform "P1"- that recorded millions of street style pictures from the young, hip and rich Chinese. The platform used photo-recognition technology to spot and predict changes in trends in China's most fashionable cities. They clearly identified a decrease in logos between 2007 and 2013 (Burkitt, 2013).

What the majority of experts agreed on, however, is that, rather than being less conspicuous, there is a variation in what is relevant to the Chinese consumers. If a decrease in logos is indeed noticeable in the "Clothing" and "Accessories" segments of "Personal Luxury Goods", it is not because consumers have become less conspicuous, but rather because they have found other ways to express their conspicuous needs. The urge to signal status is still very present in China – as material possessions represent Chinese positions in the social hierarchy – but is now happening in various forms. This necessity to display wealth has drifted away from branded goods, mainly because an increased amount of mass consumers has access to logos, which makes them less socially differentiating. As one of our experts argued: "I am not equating this movement to subtlety. It's just that, now, they can show their status in different ways. The display may be removed from handbags, but it will still happen, because the need to parade is culturally rooted". Chinese still desire to show their success but conspicuousness is now seen through other objects and forms than logos: the status-enhancing symbols have moved on to lifestyle experiences, such as travelling to the Mediterranean Sea.

At this point, it is important to take a step back and reflect on the definition of conspicuousness. If we refer to the previous section, we defined conspicuousness as "extravagant spending on products intended chiefly to display wealth and thus signal status" or as "the deliberate, conscious activity to achieve the objective of status enhancement". We also argued that conspicuous consumption is opposed to understated consumption, which refers to the purchase of subtle signals recognized only by connoisseurs. However, after analyzing the experts' interviews, we doubt that such a clear-cut opposition should be made between conspicuousness and subtlety. Indeed, if we take the perspective that conspicuous consumption is an activity to achieve status enhancement, then, subtle consumption can also be considered as conspicuous, since its objective is to heighten status but within a smaller circle of "aficionados": using understated brands is a public display of economic power, where the public is restricted to sophisticated experts. In fact, the definition of conspicuousness does not specify that the products used to exhibit wealth have to be loud. Therefore, if displaying logos is a conspicuous behavior, conspicuousness does not only equal to showing off logos: the fact that Chinese luxury consumers are cutting back on logos does not necessarily mean that they have abandoned every form of conspicuous behavior. Furthermore, if conspicuousness has the purpose to enhance status, then it cannot be understood in absolute terms: a conspicuous behavior should always refer to a specific consumer class in reference to another one. For instance, for the Tenured Elite, showing off logos might enhance their status with respect to the mass consumers. But, it certainly does not with respect to their social class that would consider such behavior as vulgar.

We thus notice that, even though most of the literature opposes conspicuousness to subtlety, the distinction is not that obvious. To add up a level of complexity, conspicuousness is subjective: what is considered conspicuous by someone might not necessarily be by someone else. As this paper is coming to an end, and as a new one might be necessary in order to uncover all of the specificities of conspicuous behaviors, we will make a distinction between overall conspicuousness and "logo-conspicuousness" and we will use the term "subtlety" only in terms of less overt visual cues.

2.1.2. Motivations to purchase luxury and display conspicuous behaviors

When we refer to Wiedmann and Hennigs' model for purchasing intentions, experts confirm that the social dimension remains the driving force, which is consistent with their claim that Chinese are still conspicuous. Indeed, status is deeply rooted in Chinese culture and, as stated by one of the experts: "culture does not disappear like that. Social comparison, rather than self-satisfaction, is still the key motive for luxury consumption". However, the individual and functional dimensions have increased in importance. In terms of functional motivations, experts mentioned quality, shopping experience and in-store service, as important purchasing attributes. In terms of individual motivations, personalization and unique individual experiences have become salient.

2.1.3. Factors influencing purchasing motivations and conspicuous behaviors

Some influential factors deeply affect Chinese's conspicuousness. As mentioned previously, governmental contact, international exposure, tenure, age, interest in fashion and Confucian values are all impacting consumers' tendencies to adopt logo-ostentatious behaviors. The experts have identified two additional factors:

Education: luxury consumers cannot be connoisseurs from day one. Education is partly linked to tenure and international exposure. As tier 1 consumers become informed, mobile and show a desire to understand brands beyond their logos, they start to comprehend subtler luxury cues and are therefore more willing to reject logos. Therefore, the more educated consumers are, the less likely they are to portray logo-conspicuous behaviors.

Business exposure: in China's highly business-driven economy, conspicuousness has become a business tool. Chinese people use luxury conspicuously as a sign of trust and reliability. Hence, the more consumers are involved in business, the more likely they are to portray logo-conspicuous behaviors.

2.1.4. Linking Chadha & Husband's model to 1st tier cities

In the previous chapter, we argued that Chinese consumers in tier 1 cities were between stage 4 – "Fit in" – and stage 5 – "Way of life". Nevertheless, it appears that experts believe Chinese consumers are transitioning between the "Show off" and "Fit in" stages. Indeed, as stated above, Chinese purchases are still fuelled by a social need to display their status and wealth. However, due to their collectivist nature, Chinese do not only consume to show off but also to fit in and conform to the social class they aspire to.

2.2. Consumer segmentation

2.2.1. Chinese luxury consumer segments

According to the experts, luxury consumption occurs in waves and can therefore be compared to a ladder. The first wave of logo-conspicuous consumers might be reaching a saturation point, but there are more waves of conspicuous consumers coming to replace them. Therefore, it is important to analyze consumption behaviors in terms of consumer segments. We already created a segmentation in the previous section where we identified four key segments in 1st tier cities: the "Nouveaux Riches", the "International White Collars", the "Little Emperors" and the "Tenured Elite". Interestingly, the experts identified another segment: the Government Officials. This segment has especially increased in relevance in the past years due to the crackdown on corruption. Whereas they could previously indulge in flashy consumer behaviors and outrageous gift-giving practices, they are now characterized by low-key private consumption. These consumers are well-connected and more sophisticated, not only due to the crackdown, but also because they have been consuming luxury longer than most consumers (Debnam & Svinos, 2007). They are extremely well-off and typically male consumers over 40 having children going to overseas schools (Hartmann & Brennan, 2014).

2.2.2. Linking segments, influencing factors and Wiedmann & Hennigs' model

To have a thorough understanding of the consumer segments' respective purchasing motivations and conspicuous behaviors, we can connect them to influencing factors and the dimensions affecting purchasing intentions. Indeed, for each segment, different factors will have a relatively higher impact on their purchasing motivations and tendencies to adopt logo-conspicuous behaviors. Therefore, according to those influencing factors and motivations, we can conclude whether or not they are still prone to logo-conspicuousness.

The Nouveaux Riches: the two key factors that play an influential role are "education" and "Confucian values" for the Nouveaux Riches,. They do not know yet how to spend their income and are just getting familiar with luxury brands. Furthermore, as they have not been fully exposed to the Western culture yet, the Confucian value system plays a much larger role in their purchasing decisions.

Therefore, the social dimension of Wiedmann & Hennigs' model, and more specifically the Bandwagon effect, dominates purchasing intentions: the Nouveaux Riches have a strong desire to conform through the purchase of prestigious "must haves". This segment thus maintains a high logo-conspicuousness.

The International White Collars: there are two major conflicting factors that influence their luxury purchases: "business exposure" and "international exposure". As this segment is made of international businessmen, their Western exposure inculcates them foreign values. However, there is still a desire to showcase visibly branded goods to establish trust with their clients/colleagues. Therefore, the bandwagon effect and the individual dimension both influence their luxury purchases. They are still logo-conspicuous, but less than their Nouveaux Riches counterparts.

The Little Emperors: this segment is impacted by the greatest amount of influential factors: "age", "interest in fashion", "international exposure" and "education" make this segment the least prone to display logo-conspicuousness. In fact, they have found a new form of ostentation: fashionability. Instead of wanting to show that they are rich, they want to prove that they are discerning: using logos instead of fashionable accessories would make them seem extremely "uncool". Their purchasing motivations are fuelled by the "symbolic dimension" of Wiedmann & Hennigs' "individual dimension". However, the Little Emperors' purchases remain rooted in social motivations through the snob effect: they pursue distinctiveness and appreciate scarce brands valued by similar like-minded others. Therefore, this segment has a very low logo-conspicuousness.

The Government officials: though tenure plays an important role for this segment, the most influential factor is "governmental contact". Since they work for the government, they cannot indulge in flashy behaviours, at the risk of being suspected of corruption. Their purchasing motivations stem from governmental pressure and can thus be explained by the bandwagon effect of the social dimension. This segment therefore has a low logo-conspicuousness.

The Tenured Elite: the Tenured Elite is obviously influenced by "tenure", but also by "education" and "international exposure". Their experience in consuming luxury goods and their contacts with the foreign world have toned down their previously logo-conspicuous behavior. The Tenured Elite is influenced by the "affective dimension" of the "individual dimension": logos are replaced by hedonic experiences such as spas and yacht cruises. On top of this, the Tenured Elite purchase luxury goods according to the snob effect: they value luxuries that few own to dissociate themselves from the masses: "When I walk on the street almost no one would know its brand; but for those who really understand, they could immediately recognize it's Kenzo" (Chen & Lamberti, 2015, p.14). Last but not least, this consumer segment is also the one that is the most influenced by the functional dimension, as they increasingly seek quality and flawless in-store service. The Tenured Elite therefore have a low logo-conspicuousness.

IV. Conclusion

The key aim of this paper was to understand whether conspicuousness was coming to an end amongst Chinese consumers. To meet this objective, we formulated a general problem statement – "Is it the end of the "logomania" in China's luxury market? An analysis of 1st tier Chinese consumers of Aspirational Luxury within the "Clothing" and "Accessories" segments of "Personal Luxury Goods" – and further detailed it through four research questions.

The major conclusion from our research is the following: logo-consumption is decreasing in the clothing and accessories segments of personal luxury goods but Chinese consumers from tier 1 cities are not becoming less conspicuous. There has simply been a shift in what is relevant to them. If logos tend to disappear, it is because consumers are finding new ways to define and express their status. For instance, some Chinese consumers start to visit the cities where luxury brands originate from, as such experiences are not affordable for the "flashy" consumers whom they wish to distance themselves

from. If we refer to the definition of conspicuousness – "the deliberate, conscious activity to achieve the objective of status enhancement" (Roy & Majumdar, 2006, p.3) –, indulging in such lifestyle experiences can clearly be considered conspicuous, as it seeks superiority to the mainstream "bling bling" consumers. In fact, we found that the concept of conspicuousness cannot only be reduced to overt signals such as logos. Subtle luxury purchases can also be conspicuous, as long as their objective is to enhance status. The problem statement of our paper is thus referring to what we have eventually called "logo-conspicuousness": it is one of conspicuousness' various forms. Therefore, our topic can be analyzed at two levels: if we stick to the strict delimitation of the paper's problem statement – "logomania" in Aspirational Luxury within the "Clothing" and "Accessories" segments of "Personal Luxury Goods" – then, the "logomania" might have indeed come to an end. However, this would be a surface-level analysis, as Chinese consumers from tier 1 cities remain fairly conspicuous. They simply cannot content themselves with heavily branded Gucci bags that are not socially differentiating anymore. Their conspicuousness has shifted to other product categories.

Nonetheless, to be clear, the logo-loving consumer is not vanishing and still accounts for a non-negligible share of luxury revenues. In fact, the apparent decrease in logo-conspicuousness depends on the consumer segments we are referring to. In terms of increasing logo-conspicuousness, our analysis identified the following five consumer groups: the "Tenured Elite", the "Little Emperors", the "Government Officials", the "International White Collars" and the "Nouveaux Riches", with the Little Emperors and Tenured Elite as driving forces towards a subtler consumption of luxury. Their variance in logo-conspicuousness can be attributed to several factors. For instance, international contact opens young Chinese minds to more sophisticated ways of purchasing luxury goods, whereas tenure and logo-overexposure pushes the elites towards niche brands. In fact, our analysis identified eight factors that influence consumers' tendency to display conspicuous behaviors: international exposure, education, tenure, governmental contact, interest in fashion, age, Confucian values and business exposure. Eventually, if the Tenured Elite, Government Officials and Little Emperors are turning away from logos, they are being replaced by the Nouveaux Riches, the new generation of logo-conspicuous consumers. Luxury consumption can be, in that sense, compared to a ladder where consumers mature and are substituted by new entrants. Since China is still in its industrialization process and since status stems from China's deeply-rooted hierarchical culture, the logo-obsessed consumer is unlikely to disappear anytime soon. We can therefore only answer our problematic in terms of consumer segments, as providing a conclusion for the overall market would be too generic.

Of course, all our conclusions are irrelevant without acknowledging one key point: Chinese consumers are continuously evolving at a dramatic pace. "[...] knowledge of brands has grown from recognizing just three logos to nearly 20 in the past three years" (Buchwald, 2015). China has been a game changer in the luxury industry and will continue to be one due the massive lucrative potential it still holds: the middle class working population is bigger than that of the EU and US combined and is gaining mobility as well as purchasing power (Goldman Sachs, 2016). Therefore, the findings of this paper should not be taken for granted and legacy luxury players cannot allow themselves to grow complacent: brands must continuously monitor consumers' tastes and adapt quickly.

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