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LUXURY "MADE IN CHINA":
Italian consumers perception of Chinese luxury

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SOMMARIO

Il "Country of Origin effect" è uno degli argomenti di ricerca più ampiamente studiati nel marketing fin dai primi anni '50, e nonostante l'elevata quantità di articoli e studi empirici, rimane tuttora una tematica saliente, ancora aperta a nuove interpretazioni. In aggiunta la globalizzazione dei mercati ha messo a dura prova il concetto di COO, cambiando il ruolo che il Paese di origine di prodotto riveste nel processo di valutazione dello stesso, riducendo nella maggior parte dei casi il livello di conoscenza dei consumatori riguardo l'origine dei beni e dei marchi che acquistano.

Il presente studio si propone di investigare ulteriormente questi trend utilizzando come base di ricerca il concetto di "made in China" (attualmente ampiamente associato a prodotti a basso costo), applicato per la prima volta nel settore del lusso Italiano, con l'obiettivo finale di identificare i possibili effetti che le informazioni riguardanti la provenienza di un prodotto di lusso possono avere sia sulle intenzioni di acquisto dei consumatori italiani, che sulle decisioni manageriali delle imprese dell'alto di gamma.

Per il raggiungimento di tale scopo, è stato condotto uno studio empirico su un campione di popolazione italiana, al fine di comprendere chi sono attualmente e quali caratteristiche psicografiche presentano, i consumatori Italiani del lusso. Dopo aver risposto a queste domande, è stato possibile effettuare una segmentazione dei rispondenti, basandola sulla la visione che hanno del concetto di lusso, per poi rilevare quale risultava essere il livello generale di propensione dei consumatori italiani, ad acquistare beni di lusso cinesi.

Alla fine, è stato riscontrato che tale propensione all'acquisto, in Italia è generalmente bassa, così, si è deciso di esplorare quali potevano essere gli elementi in grado di influenzare e incentivare l'acquisto di beni di lusso cinesi, al fine di fornire delle linee guida generali per supportare le decisioni manageriali e suggerendo possibili strategie d'azione alle imprese Cinesi dell'alto di gamma che mirano ad entrare nel mercato italiano.

ABSTRACT

Country-of-Origin effect is one of the most widely researched topic in marketing since the early '50s, and despite the huge amount of papers and empirical studies it's still a salient concept open to new interpretations. In addition the globalization of the markets has hardly put the COO construct to the test, changing the role of COO information in to product's evaluation process and reducing the level of knowledge of costumers about the origin of brands they purchase.

The proposed research aims to further investigate these trends using as referential framework the "made in China" construct (widely associated to low-quality products), applied for the first time in the luxury sector, with the final objective of identifying the potential effects of the formation related to the provenience of a luxury product on consumers' purchase intentions and luxury companies' managerial decisions.

For accomplishing this purpose, it has been conducted an empirical study on a sample of Italian people in order to figure out who actually are and which psychographic characteristics have, the Italian luxury consumers. After have answered these questions, it has been possible to segmenting the respondents according to the vision they have of luxury concept, and test which is the general level of propensity to buy Chinese luxury goods by the side of Italian consumers.

It has been found that the buying propensity in Italy is in general low; indeed it has been decided to explore which are the elements that enhance the purchase of Chinese luxury goods in order to provide general guidelines for making managerial decisions and suggest strategic patterns to Chinese firms which lack expertise and marketing capabilities considered peculiar of this sector.

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1. INTRODUCTION

1.1 LUXURY MARKET OVERVIEW

In 2011 the global luxury goods sales have continued 2010's double-digit growth trajectory, and this year are defying initial concerns over Eurozone turmoil and fears of a cool down in emerging markets, exciding €200 billion in 2012; this according to Bain & Company, in the Spring 2012 Update to its "Luxury Goods Worldwide Market Study" Bain further expects an average of seven to nine percent annual increases in global sales to fuel luxury brands' growth aspirations until the middle of the decade.

The study points to a continuation of the core market trends that created sharp recovery from luxury's 2008-09 recession: growth of online sales, rapid expansion in China, and shift from wholesale to direct-owned retail remain factors to watch, also if the most critical aspect to consider nowadays is that has become a more truly global market.

Within these trends, Bain has identified the main market-defining factors for luxury in the next three to five years:

- Chinese consumers, including their spending as tourists, now account for over 20 percent of global luxury sales. Asian consumers (i.e., adding Japan, Korea, and Southeast Asia) account for more than 50 percent
- Thirty percent of global luxury sales now occur within emerging markets
- The average age of Asian luxury consumers is decreasing steadily, while that in Japan, Europe and the United States increases, creating a new generation of luxury consumers, but with very different tastes and preferences
- Women are encroaching on traditional male purchases (business attire, luxury watches), as women's spending becomes increasingly independent
- Men are increasingly likely to seek traditionally female brand dimensions around "fashion" and "beauty" as well as product functionality
- Luxury product usage has crept in to more casual occasions, which in turn affects the kinds of products that brands develop (e.g. casual-chic apparel lines)
- Luxury is fueled by newer and bigger money. In turn, consumers' insatiable chase for higher quality and greater craftsmanship/materials favors absolute luxury offerings
- Premium and fast-fashion brands are forcing luxury brands to rethink their value proposition by competing directly with lower segment luxury
- The convergence of stores, e-commerce, social media and mobile commerce is creating an "omnichannel" experience for consumers

1.2 THE CHINESE LANDSCAPE

This paragraph show a general overview of the actual Chinese landscape; it is helpful to better understand the motivations that pushed the author to consider very valuable to explore the luxury from a Chinese perspective in this particular period.

Until recently, few people in China earned enough to buy anything beyond the bare necessities; no pension to look forward to, a crumbling healthcare system, and little or no insurance coverage made Chinese consumers squirrel away every last renminbi.

But today, this sty is completely changing, Chinese class of wealthy consumers is growing very fast, so more and more people have the cash and are willing to spend it on what was well beyond their reach until a few years ago, making luxury goods undisputed symbols of wealth and social status in China.

The most prestigious luxury brands are fighting to establish more and more stores in the most stylish urban China's shopping districts; to better catch this phenomenon, it is sufficient to take a look at the numbers: Louis Vitton had stores in just ten cities in 2005, but now he has more than 36 stores in 29 cities across mainland China, Gucci started with six stores in 2006, ramping up to 39 stores in 2010, and Hermes has quadrupled its stores from five to 20 during the last five years (Atsmon, Magni, Li, & Liao, 2012).

The main reason of this rush is the booming of luxury goods in China; also during the global recession in 2009 the sales of luxury good grew by 16%, reaching RMB 64 billion (about US$ 10billion). This positive trend is estimated to continue in fact according to the last researches, the Chinese luxury market is on track to reach RMB 180 billion in 2015 (US$ 27billion), and Chinese luxury consumption is projected to grow 18% annually, accounting for over 20% of the global luxury market in 2015.

These changes have profoundly modified the Chinese luxury consumers, and the way in which they view and consume luxury. A survey conducted across 17 cities in Spring 2010, brought out three key findings:

- A growing infatuation for luxury goods among Chinese consumers, due to the rapid increase in wealth and the shifting of social attitudes towards the display of it.
- The access to an explosion of information on Internet and an increasing predilection for overseas travels are contributing to a substantial rise in consumers' sophistication.
- The rapid urbanization outside of China's largest cities, is driving the emergence of several new geographic markets (the number of such cities is expected to double from 30 to 60).

The "new" luxury consumers are people who by traditional standards would not be considered viable target consumers of luxury goods; a growing number of them are resident in lower-tier cities and belong to the China's 13 million class households with incomes between RMB 100.000 and 200.000 (equivalent of US $15.000to $30.000). They usually stretch their budgets to purchase those luxury items, such as jewellery, handbags and clothing, which until very recently were the exclusive domain of the wealthy, and although these new consumers can only afford the occasional luxury purchase, they account for about 12% of the market already and they are estimated to grasp the 22% of luxury goods purchases in 2015.

These new class of consumers and their social behaviour are reshaping the luxury landscape in China, creating new opportunities and challenges for luxury marketers traditionally to serving only very wealthy households.

Another attractive characteristic that deserves particular attention because sets apart Chinese consumers from their counterparts in other markets is their youth: as many as 45% of China's luxury consumers are under 35, compared to 28% in Western Europe. They were children during China's economic reforms, so these consumers have never lived an economic recession and as a result they are extremely optimistic about their future and about their expectations for becoming richer. The proliferation of magazines and websites dispensing a lot of information on the latest fashions, makes these young Chinese consumers familiar with nearly twice as many luxury brands today than two years ago, and they are becoming increasingly savvy and discerning about luxury consumption, particularly with regard to the relationship between quality and price.

2. LITERATURE REVIEW

2.1 LUXURY IN LITERATURE

The word "luxury" derives its etymology from "luxus", which according to the Oxford Latin Dictionary means 'soft or extravagant living over-indulgence and sumptuousness, luxuriousness and opulence'; accordi0ng to this mindset, this term is routinely used by everyone to refer to products, services or a certain lifestyle, but in the end there is not a clearly and completely shared understanding of the concept of luxury. The difficulty in doing this is related to the different forms that luxury takes for different people because of the dependence on the mood, experience and cultural background of consumers.

As Cornell (Cornell, 2002) noted "luxury is particularly slippery to define" considering that "a strong element of human involvement, very limited supply and the recognition of value by others are key components."

The first studies on luxury definition, pointed out that luxuries are characterized as object of desire that provide pleasure and enable consumers to satisfy psychological needs bringing esteem for the owner. Under this perspective of luxury goods as "non-essential" items which go beyond the indispensable minimum, they exist at one end of a continuum with ordinary goods, but the critical point is where the ordinary ends and luxury starts because it depends on consumers judgement, strongly related to what the society considers necessary.

Although there is not a universally accepted definition of luxury concept because of its nature strongly dependent on the specific context, one the cornerstones of the literature on luxury is the "conspicuous consumption phenomenon described by Veblen (Veblen, 1899) within its Theory of the Leisure Class; according to this, the exhibition the consumption of conspicuous goods is a display of wealth, but what actually confers status is the judgement of the other members of society, which make inferences about others on the basis of their possessions. "buying to impress others" and "create a favourable social image" still serves as motives of luxury consumption; nut to explain consumers' behaviour, in addition to these interpersonal aspects related to the "Veblen's effect", personal aspects and situational conditions must be considered. An important contribution in this direction can be found in the framework developed by Vigneron and Johnson (Vigneron & Johnson, 2004) on the evaluation of luxury brands. They proposed a model, the "Luxury brand index", which aims to define the main characteristics that influence the luxury-seeking consumer's decision making process; according to the authors the factors that determine the buying behaviour are five and can be linked to personal and non-personal perceptions.

The personal dimension includes:

- Perceived extended self
- Perceived hedonism

The non-personal dimension includes:

- Perceived conspicuousness
- Perceived quality
- Perceived uniqueness

These defined five values combined with relevant buying motivations, they identified five different categories of prestige consumers:

o The Veblen effect – perceived conspicuous value. Veblenian consumers attach greater importance to price as an indicator of prestige, because their primary objective is to impress others.

o The snob effect – perceived unique value. Snob consumers perceive price as an indicator of exclusivity, and avoid using popular brands to experiment with inner-directed consumption

o The bandwagon effect – perceived social value. Relative to snob consumers, bandwagon consumers attach less importance to price as an indicator of prestige, but will place greater emphasis on the effect they make on others while consuming prestige brands. The hedonic effect – perceived emotional value. Hedonist consumers are more interested in their own thoughts and feelings, and thus will place less emphasis on price as an indicator of prestige.

o The perfectionism effect – perceived quality value. Perfectionist consumers rely on their own perception of the product's quality, and may use price as further evidence of quality.

This model was a crucial starting point for many following researches; Wiedmann (Wiedmann, Hennigs, & Siebels, 2007) extended the Vigneron and Johnson's five-dimensional framework in order to enhance the understanding of consumer motives and value perceptions in luxury consumption pointing out the existence of four latent dimensions, traditionally not associated to the luxury context:

- Financial dimension of luxury value addresses the value of the product in monetary terms or more in general "what you are willing to sacrifice to own the luxury product"
- Functional dimension of luxury value refers to the core benefits and basic utilities which push the consumer to buy
- Individual dimension of luxury value focuses on customer's personal orientation that depend on personal aspects such as materialism, hedonism and self-identity

- Social dimension of luxury value is related to the utility individuals acquire in relation to their own social group; conspicuousness and prestige may significantly affect the propensity to consume certain luxury brand.
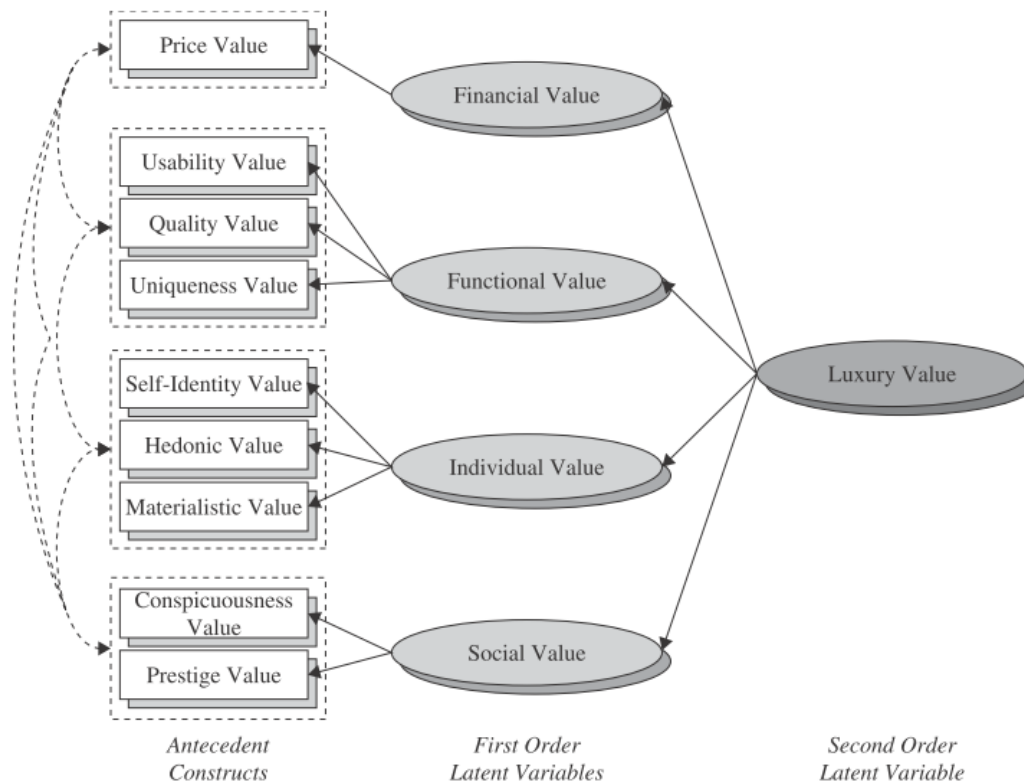
Figure 1: "Luxury brand index" model by Vigneron and Johnson (2004)

As the authors specified, the selected variables (i.e. the antecedent constructs) have to be understood as individual value judgements; they do not represent an objective valuation, but rather the consumer's perception of a certain luxury brand or product. The relations between the key variable and the luxury dimensions (influencers or moderators) vary according to the context of application and the different factors assume different weights on the basis of consumers' personal and cultural characteristics. From this viewpoint, the framework proposed by Wiedmann can be used as a segmentation bases for luxury market, combining the demographic variables, traditionally used in marketing with other descriptors which follow psychological criteria (such as social class, lifestyle or culture). In this way, even if the world of luxury products is not homogeneous, some underlying consumers desires and motives can transcend national boundaries making possible the creation of cross-national segments that better fit the level of globalization that luxury market has reached in the recent decades.

This multidimensional framework was adopted by Wiedmann, Siebels and Hennings (2007) for an empirical study in 2009, and the results pointed out that the perceived luxury value variables appeared to make considerable contributions in characterizing clusters:

- o The **materialists**: for them the hedonic value of luxury is important, they wish to have a lot of luxury in their lives and think that their lives would be better if they owned certain things they don't have.

- o The **rational functionalists**: they do not seem to be greatly excited about the emotional dimensions of luxury consumption, they have superior quality standards and differentiate themselves from others with the purchase of exclusive luxury products. Like cluster 1, they perceive their individual needs to be more important than the desire to make a good impression on others.

- o The **extravagant prestige-seekers**: they place much emphasis on prestige over quality assurance and state that they buy a certain luxury brand mainly for impressing others rather than just for themselves.

- o The **introvert hedonists**: they perceive hedonic value aspects of self-directed pleasure and life enrichment to be most important for their perception of luxury value. In their opinion, luxury brands are sources of pleasure; such consumption enhances their quality of life.

The models proposed are useful as a possible framework for a consumers' classification; focusing on the "product dimension", luxury market can be represented using the hierarchy described by Allerès (1990). According to the author the luxury products can be organized into three hierarchical levels using the economic driver:
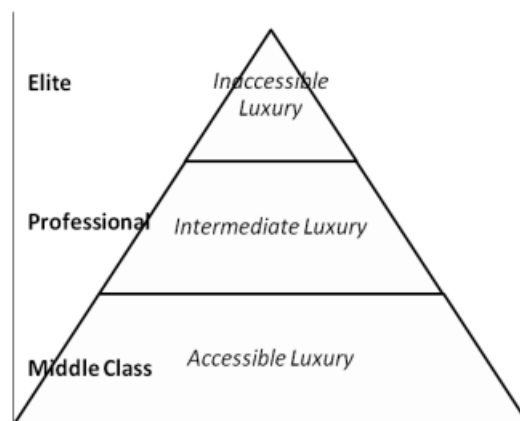
Figure 2: Allerès model of of "hierarchy of lxury market"

- Inaccessible luxury includes products with an extremely high price that confer to the owner an extraordinary social status, as a consequence they are for a small elite of consumer only.

- <u>Intermediate luxury</u> refers to products less expensive of the previous level, but suitable for consumers that want to modify their lifestyle in order to make it as similar as possible to the member of the superior level.

- <u>Accessible luxury</u>, in the end, comprises the products with a more accessible price but in any case higher of the other products of its category, they are usually designed for a broader middle class.

This classification does not rely on fixed parameters to define the different levels, for this reason during the years the hierarchy has been fragmented into new categories (this phenomenon called "luxury democratisation" will be better explained in the next section).

The strength point of this model is the ability of grouping products very different in monetary terms but similar from a marketing perspective (i.e. same selling strategies and market positioning).

2.1.1 Luxury democratization

"Luxury is a necessity that begins where necessity ends"

(Coco Chanel)

The continuous growth of the luxury market and the modifications of the global context, have taken to a new definition of "luxury".

As already said, the meaning of luxury is not universal, but it assumes different nuances according to the specific context, but from a general point of view it's possible to see how with the passing of the years there has been a shift from **"old luxury"** to **"new luxury"**; the former concept refers to the traditional meaning of luxury such as status symbol, the latter instead, addresses a more modern luxury which is built on supreme performance.

*"**New Luxury** – products and services that possess higher levels of quality, taste and aspiration than other goods in the category but are not so expensive as to be out of reach."*

(Michael J. Silverstein and Neil Fiske, Boston Consulting Group)

New Luxury products are sold at much higher prices than conventional goods and in much higher volumes than traditional luxury goods. The result is a democratization of the entire category.

To make a practical example, Bentley reflects the old meaning of luxury, it's not a car for consumer, it's a status symbol; instead BMW is the perfect example of New Luxury, it produces "premium cars" not luxury cars, ideated for engaging emotionally people who love cars.

"Luxury is crossing all age, racial, geographic and economic brackets. We've broadened the scope far beyond the wealthy segments. Most people today have satisfied their basic needs. What's left is not about conspicuous consumption, it's about pleasing oneself."

(Daniel Piette, group executive vice president of LVMH)

This transformation of the concept of luxury can be summarized in a sentence: today's luxury is tomorrow standard. The rise of the "new Luxury" can be interpreted as the acceleration of this historical phenomenon; new luxury features usually introduced at the high end of the market, become more affordable and widely available over time making the quality and the sophistication of luxury products fall down-market faster than ever before, but it's interesting to observe how producers are driving this trend consciously, making it the core of new successful marketing strategies which have given birth to this phenomenon called **democratization of luxury.**

According to the Allérès hierarchical classification and this new tendency, it's possible to add new levels of product categorization:

- **Accessible superpremium products**, they are priced at the top of their category and at a considerable premium over conventional goods, but still affordable for middle-class of consumers; they are relatively low-ticket items.

- **Old luxury brand extension**, lower-priced versions of products created by companies whose brands have traditionally been affordable only to the rich.

- **Mastige goods**, it's a neologism for *mass prestige¸* they are neither at the top of their category in price nor related to other extension of the brand. They occupy a sort of sweet spot in the market between "mass and class".

The transformation that are occurring in luxury market and products are strongly linked with modification in consumers behaviour. In general terms they are becoming more selective, they trade up new luxury product spending a disproportionate amount of income in categories which are important to them because comely with their personal enjoyment and desire for satisfying emotional needs, on the contrary they trade down to low-cost brands in categories they consider not important. For this reason buying habits do not always conform to consumers income level and it's a crucial point considering that, in luxury sector, income has been one of the key variable used for segmentation.

2.1.2 Democratization versus rarity

The luxury is a complex concept to define because of its multi-dimensionality, and in particular the main difficulties come from   those emotional traits, that distinguish luxury products from consumption goods.

The luxury label depends on consumer "interpretation", because people can attach different meanings and values to the same product, and as a consequence for companies in luxury markets, it's not always easy to communicate the "luxury traits" of their brand.

To win this challenge, it's crucial to be able of understanding the point of view and the peculiarities of the consumers before. But this is not a simple task, because the customer characteristics are related in general to the specific social and cultural background, but more in detail they depends on personal dimensions such as lifestyles and past experiences.

For this reasons, during the years the marketers have looked for new variables, different from the traditional one related to demographic or cultural characteristics, to achieve better results in terms of segmentation.

Often luxury products, especially those publicly consumed, are seen only as a mean to show off ostentation and richness, and this interpretation confers a negative moral connotation of luxury world, in particular during recession periods.

The luxury industry is maybe the best one in combining tradition and innovation; since their origins, the most famous luxury brands have bound their success to the history and their strong reputation, but trying at the same time of being creative ì, changing during the years to follow modern trends and fades.

Western countries have created a real "luxury language", which in the past was spoken only by an elite group of rich and noble people in societies, but with the passing of the years always more people become familiar with it and also who is not able to speak it, in any case he can understand it; in other words, not only the consumers of luxury goods but also who aims at owing them concur in shaping the luxury meaning and values.

In the past luxury was a privilege, only few people in societies could allow it, but the progress and the industrialization have reshaped the role of luxury within the society, giving it multidimensional meanings and making it more accessible, luxury has lost its traditional and monodimensional meaning of power and richness ostentation, nowadays we can talk about "mass luxury".

"Dream equation" : prestige versus diffusion level

The symbolic dimension has contributed in building a set of features that B. Dubois and C. Paternault called "dream values", these are related to the psychological features that distinguish luxury goods from consumer ones, and measuring how much the single features influence customer behavior the authors have demonstrated that it is possible to calculate the "dream equation" to predict under which conditions "desire" of luxury emerges and when this desire materializes into purchase actions. The authors investigated a very interesting and still salient topic that represent the hardest challenge that luxury brands have to face when become international, the paradox of developing the brand and reaching a certain level of diffusion to achieve success, without jeopardize its appeal strictly related to its limited diffusion level (if a brand is overdiffused, it loses its luxury character).

Measuring through an exploratory study in the United States, the consumers perceptions about "aided awareness", "recent purchases" and "dream values" about international luxury brands, they built, using a regression equation, the dream formula equal to:

$$DREAM = 0,58*AWARNESS – 0.59*PURCHASE$$

The interesting aspect is that the signs of the two coefficients sustain the hypothesis that awareness feeds luxury dream, but purchase makes this dream come true and in a certain sense contributes to destroy it, confirming the "paradoxical essence" of the marketing of luxury goods.

These results have been confirmed by following similar researches also in five major European countries, revealing that western countries are willing to have this kind of approach towards luxury brands; the same results have not still confirmed in relation to the emerging eastern economies.

2.1.3 Luxury evolution

Globalisation has deeply changed the cultural background both in western and Eastern countries, making national boundaries more and more fuzzy. As a consequence luxury sector faced in the last decades the so called "democratization" phenomenon. Companies are progressively making their offer more accessible, widening their target customers, usually through brand extensions. This has made necessary an accurate segmentation, which is becoming a key factor for reaching success in this sector.

Today, according to this "democratization" process, which is getting a foothold especially thanks to the new middle classes of the eastern emerging countries, that claim their right to luxury, the main companies of the sector have started a fast-paced retail expansion strategy, but this trend runs contrary to the traditional equation that put luxury equal to "rarity". The rarity principle has been all along a distinctive traits of luxury goods, and one of the reason that have allowed premium price strategies in luxury market; as J. Kapferer analysed, the traditional exclusiveness that confers to products the "luxury status", crucial for justifying high prices, is diluted when its penetration rate increases *(see Graph1, line A)*, shifting towards mass-products. According to a less rigid prediction, it has been observed that increasing penetration also boosts the product "luxury status", because it makes the brand more visible and recognized, but when it reaches a certain level, luxury status dilution occurs in any cases *(see graph1, line B)*. The challenge that the luxury industry has to face, as Kapferer noticed, seems to be the creation of a new strategy that allows to reinforce and not dilute, the luxury status increasing the penetration rate *(see table – C)*.

Graph 2: Luxury status dilution (case1)   Graph 1: Luxury status dilution (case2)
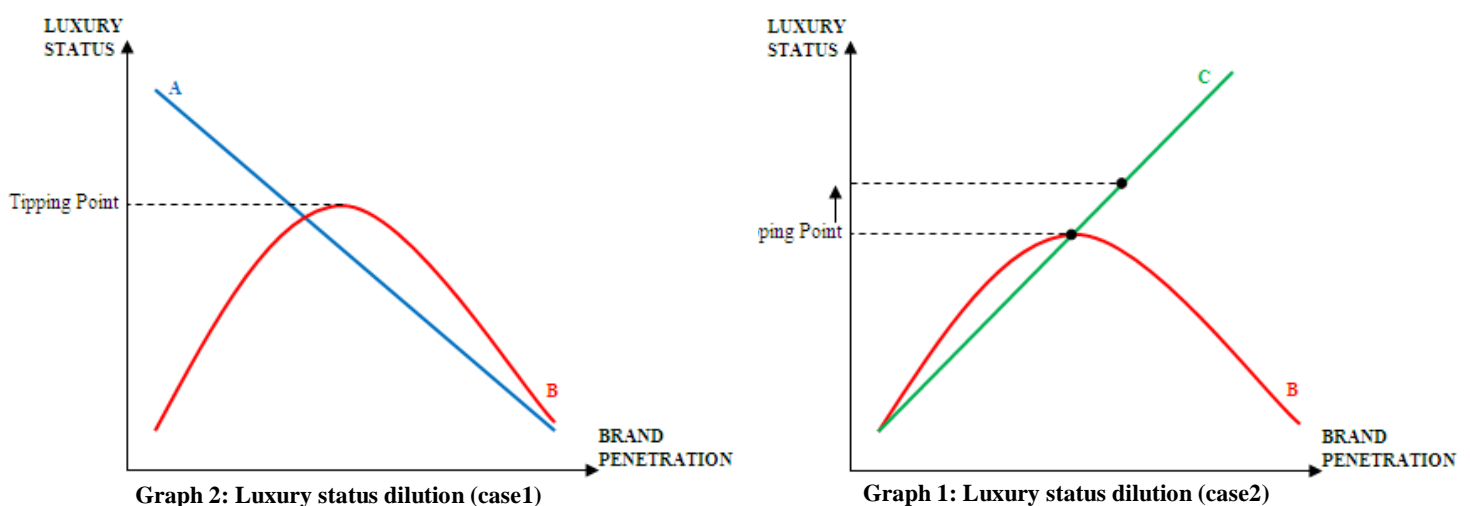
This new possible pattern is deeply investigated nowadays, and one possible key of interpretation could be found in studying the different meanings that are associated to the luxury, because this multidimensionality could explain no contradiction between high penetration and luxury status.

It is a law of economics that when demand exceeds supply, prices go up. This trend can be a natural trend of the market or an artificial one induced by companies strategies; Apple capitalizes on this effect by creating a fictitious scarcity at each new product launch.

Many luxury companies have built their strategy around the myth of luxury as a rarity business, think for example to Ferrari, however the physical rarity doesn't match fast growth's expectations of shareholders of the modern listed luxury groups. It has been observed how, during the recent years, the luxury sector has grown thanks to a shift in what Kapferer defined "virtual rarity", that represents the feeling of privilege and exclusivity. According to this definition, the modern luxury has been able to build a concept of "qualitative rarity" among its consumers; rarity becomes related to some particular attributes, both tangible and intangible, instead of the number of products available. Today there are many company try to sustain the desirability of their luxury brands that offer extended production, inducing a sort of rarity artificially; for example, regularly launching "limited editions" communicate ephemeral rarity, or luxury rarity can be entailed also at the retail level through selective, and not necessarily exclusive, distribution strategies.

Communication builds virtual rarity because is the key for building those intangible attributes and values that make luxury products from the others, even if the interpretation of these meanings can change among people as explained previously; anyway, luxury companies have to spread their luxury branding message far beyond their actual target because to construct the dream a brand must be known by many even though only a few are able to buy it. Reinforcing a luxury product with intangible features and values, attaching it with new meaning is the key to make it a "social marker", in this way products won't be considered commercial, and they can be sold to many people without diluting their appeal, a sort of "elitism for all".

2.1.4 Luxury criteria

David Hume and Adam Smith already described luxury as one of the factors that contributed to the economic and social development of the nation in Europe after the feudalism era; Hume identified "luxury" with the invention of manufactured goods designed for the "gratification of the sense", because in his opinion, when luxuries are not available people produce no more than enough to live. Smith kept on this concept, explaining that the feudal magnates spent their surplus of income to satisfy their desires of "elegance and refinement" which are natural for self improvement and social affirmation.

"Luxury is the need that starts where necessity ends"

- Coco Chanel, 1974 –

According to the opinion of a woman that can be considered one of the major experts on luxury, all along luxury has been considered a business to satisfy desires and not necessities.

Since its origin luxury has been linked with the concept of "prestige", that according to the definition given by Dubois and Czellar is a subjective evaluative judgment or about high social status of people or inanimate objects that is followed by emotional reactions, such as admiration and feeling of liking. This symbolic and psychological dimension makes difficult to explain the process according to which people consume luxury goods; in fact the existing models of buying behavior for high-involvement products are not able to predict the consumers reactions to luxury goods and the stages they go through during the purchasing process.

The personal interpretation of luxury meanings ensures that there is no clear consensus on what constitutes a luxury brand; from the literature one of the first and most complete paradigm, was that proposed by J. L. Nueno and J. A. Quelch in 1998, it is articulate among ten different dimensions which represent tangible and intangible attributes that a luxury brand should have, according to the historical antecedents:

- consistent delivery of premium quality across all products in the line, from the most to the least expensive;
- a heritage of craftsmanship, often stemming from the original designer;
- a recognizable style or design (the savvy consumer does not need to look at the label to know the brand);
- a limited production run of any item to ensure exclusivity and possibly to generate a customer waiting list;
- a marketing program that supports, through limited distribution and premium pricing, a market position that combines emotional appeal with product excellence;
- a global reputation (the brand's world-class excellence is universally recognized);
- association with a country of origin that has an especially strong reputation as a source of excellence in the relevant product category;
- an element of uniqueness to each product
- an ability to time design shifts when the category is fashion-intensive, also anticipating future trends;
- expression of personality and values of its creator.

This framework was the point of reference for many investigations on luxury consumers and was consolidated and refined by Dubois, Laurent and Czellar in 2001, through an empirical study from twenty countries; the authors reduced the previous paradigm defining six main facets of luxury:

Excellent quality	• Exceptional ingredients and components and superior craftsmanship, it is a synonymous of greater reliability
Very high price	• It is indicative of luxury goods from an economic point of view because it means an elasticity higher than one and from a social perspective because it is synonym of high social status;
Scarcity and Uniqueness	• Restricted distribution and tailor-made products
Aesthetics and Poly-sensuality	• Luxury as a piece of art, expression of beauty and dream; it is not only a product but an experience, a multi-dimensional concept
Ancestral heritage and personal history	• Long history of the producer passed on to generation, tradition and strong relationship with the cultural background
Superfluousness	• Ability of satisfying needs that are not necessities of life, but related to self fulfillment of individuals

Table 1: "Luxury attributes" by Laurent and Czellar (2001)

Cross cultural researches have shown that these dimension are the common foundation for luxury definition, but the interpretation of the concept depends on the characteristics of individuals, in fact each attribute has a different importance according to the social context and also within the same society they vary according to personal traits and perceptions of consumers.

2.1.5 Luxury business model

Traditional business model of the first luxury companies, usually family owned and strictly tied to their cultural and national history:

- Do not delocalize production
- Do not advertise to sell
- Communicate to non-targets
- Maintain full control of the value chain
- Maintain full control of the distribution
- Never issue license
- Always increase the average price
- Develop direct one-to-one relationships with clients

The luxury strategies are based on premium price policies, so the goal is making customers price-sensitive brand's lovers. Listed luxury companies are pushed to grow by their shareholders, as a consequence they should trying to increase the penetration rate, but they should do this maintaining high prices. Some companies succeeded recently in achieving this result ignoring many constraints of the traditional luxury business model presented before, such as objective rarity and forbidding delocalization.

Distinctive innovative factors:

- Building iconic figures;
- Experimental selective distribution
- Visible and creative communication

The real challenge is maintaining this symbolic power in the long term. From the literature luxury can be defined as" the ordinary for extraordinary people and the extraordinary for ordinary people", in this sense the "extraordinary people" play a crucial role because are the reference group for the masses, but they are willing to pay more only they feel themselves "elite consumers"; so companies should be able to maintain the feelings of privilege for everyone, putting in place differentiation strategies according to customers characteristics and profiles.

2.2 COUNTRY OF ORIGIN IN LITERATURE

The C*ountry of Origin* is one of the most widely researched concepts in marketing and consumer behaviour literature, but still today there is no a clear and univocal definition of this phenomenon because its salience is related to the specific characteristics of the context under investigation. The structural changes that have re-shaped international market and business models over the last three decades, create the need of different interpretations of the COO effects according to the new global scenario.

Robert Scholer was the first in framing the construct in 1965, treating the concept of the Country of Origin exclusively within the limits of *"Made in" label*. The following researches aimed at understanding how the information related to the provenience of a product can influence the consumer's judgement in terms of product quality and functionalities; the main models and frameworks proposed in literature, try to investigate how much these kinds of information are decisive in customer's evaluation process and purchasing intentions.

2.2.1 COO - Intangible attribute

A product's country of origin is one of the most interesting extrinsic variables within the range of the intangible product characteristics.

Under this perspective, consumers can use the *Country Image* as a summary of other information in order to infer the quality of unknown products; this topic has been deeply analysed by Han and Terpstra, they were the first in investigating the role of country image in consumer's product evaluation, developing two alternative causal models: the "Halo model" and the "summary construct model".

The first model sets that country image serves as a halo in product evaluation; information related to specific country's characteristics or stereotypes can directly affects consumers' beliefs about product's attributes and indirectly affects overall evaluation and final purchasing decision.
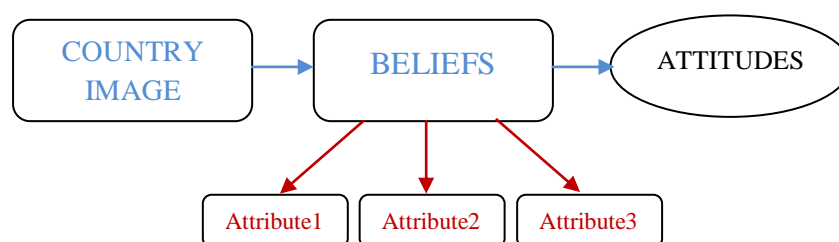
Figure 3: Personal representation of "Halo model"

The second model hypothesises that consumers can construct country-specific information by generalizing product information over brands with the same country of origin because the brands

are perceived to have similar attributes. In this case, in contrast to inferences implied by the halo hypothesis, consumers make abstractions of product information into country image that, as a consequence, directly affects consumer attitude toward a product from the country.

Figure 4 : Persoal representation of "Summary Construct" model

In conclusion, the study of Han and Terpstra aimed at clarifying and understanding the role of the COO in individuals' information processing and knowledge activation; instead many subsequent researches focused on finding out antecedents to determine the relative importance of COO and assessing its effect size.

Since the COO is resulted a very "context-dependent" construct, in that its effects can exist only under certain conditions; for this reason the large amount of studies and experiments have showed an apparent inability to draw generalizations or principles regarding the influence of country of origin on perceptions and evaluations, as Peterson and Jolibert explained in their meta-analysis of COO effects; they pointed out that the construct itself is ambiguous and so it could be operationalized in widely divergent ways. The authors organised and analysed the existing studies according to the main difference in terms of:

- Research design employed
- Type of respondent
- Number of cues in study
- Sample size
- Stimulus context
- Country of stimulus (includes respondents' country/does not include respondents' country)
- Source of respondents and nationality (one country/more than one country)
- Number of countries in study (ten or fewer/more than ten)
- Level of stimulus product (general/category)
- Type of stimulus product (industrial/consumer/both or mixed)
- Kind of stimulus product (durable/nondurable/not defined or mixed)
- Mode of data collection

- Study context (laboratory/field)

The important conclusion that emerged, was that investigators should focus researches about this topic on the identification of moderators such as variables, methodologies and designs that could explain differential COO effects, in order to understand the relative importance of COO under specific sets of conditions.

In addition, it has been proved that the effect size of COO changes if it is analysed using perceptions or purchase intentions as dependent variables; in fact, although the two concepts are intuitively related, they are conceptually distinct; perceptions are antecedent to and determinants of intentions that are mediated and moderated by different constructs according to the specific product and customers' characteristics.

Within the studies that followed the research guidelines provided by Han and Terpstra, the investigations conducted by Samiee, Sharma and Shimp are particularly interesting; the authors focused their attention on measuring the consumers' ability to recognize the Country of origin of products they usually buy; they stressed the point that past researches have inflated the influence of COO on consumers' judgement, because experimental paradigms tends to manipulate product and brand's origin and elevate its salience compared with information processing under naturalistic circumstances, where COO is just one piece of information among an array of data available for customers. The authors developed a specific index to measure the customers' ability in recognizing the origin of a brand; this topic is crucial nowadays, because of the ever-growing globalization of brands. As the authors noticed how many companies have been able during the years to mask their origins suggesting that "either a brand is perceived to be manufactured and available in many countries or brand origin is inconsequential in the choice process"; on the other hand they demonstrate also that high levels of correct brand origin recognition confirm the saliency of COO to consumers and as a consequence reinforce the need of companies to develop international marketing and global strategies that incorporate this information adjusting negative or positive bias. The key points that emerged from their study can be summarised as follows:

– Consumers must be able to recognize the origin of the products they buy because only under these circumstances it's reasonable to assess the influence of COO;

– A brand's country of origin may be highly diagnostic information only when conveys additional information about product quality and other features; the origin is non-diagnostic in product categories involving inexpensive, frequently purchased items;

– The best predictors proved to be socioeconomic characteristics, international experience factors, demographic variables and ethnocentric tendencies.

2.2.2. COO – Key findings

Hereafter there are reported some author's conclusions about the main findings of COO literature of the last thirty years; they resulted to be the starting point for the research methodology design.

…1982

- ➢ Relationship between product evaluation and degree of economic development, country's culture, political climate and belief system similarity; this means different COO effect for developed and emerging countries
- ➢ Consumers of more developed countries are prone to evaluate their own country's products relatively mo favourably

…1987

- ➢ CETSCALE is a valuable measure for consumers ethnocentrism and it's useful for having insight into consumer opinion about foreign-made products. It's reasonable using it in COO researches for comparison among cultures and for studies involving more countries.

…1989

- ➢ Country serves as a halo from which consumers infer product's attributes when they are not familiar with products of that country, this can affect brand attitudes. When consumer becomes familiar with the products, country's image may become a construct that summarize consumer's beliefs about product attributes.

…1995

- ➢ COO is very "context-dependent", necessity to circumscribe research field accurately
- ➢ The most investigated dependent variables in COO studies are quality perceptions and purchase intentions. It is important to decide on which of them focusing attention.

…2000

- ➢ It may be hypothesized a favourable COO effect for collectivist countries
- ➢ Collectivism and individualism to explain different use of COO information >> It could be useful to interpret differences in results

…2005

- COO it's highly diagnostic in product categories characterized by expensive items and purchasing process with high-involvement of the customer

- Globalization of markets makes brand origin potentially the only stable information, it plays a crucial role whether or not consumers actually know where a product originates; this explains the choice of using brand names that dissociate them from source country and vice versa

- According to the new international and globalized scenario the most suitable framework for further researches is based on the description of the "antecedents" (endogenous such as values and psychographic dimensions or exogenous such as structural dimensions of target country) and "moderators" (especially price and the brand-related ones) of the specific context. Importance of intrinsic and individual moderators such as product type (luxury goods), product familiarity and consumers' involvement.

…2006

- Distinction between COD and COM; many countries are favourably associated with specific product categories, others have negative stereotypes: problems with bi-national products.

- Country image influences existing product evaluations, but can also be transferred to new product if they are associated with the same country by consumers.

- COD and COM have different effects depending on the product category considered; in fact COD conveys more information about the design and cultural heritage of a product, so the influence of COD is stronger for products with fashion or status symbolic meanings, these are usually used publicly and under the influence of reference groups (this tendency is stronger in developing countries)

…2011

- Preference for product imported from developed countries is stronger for consumers in emerging markets

- Consumers ethnocentrism seems to have a negative effect on the evaluations in the developed countries only towards products imported from emerging markets and vice versa

- Consumers in emerging countries are becoming more materialistic, but many of them remain quite value conscious and price sensitive; a dichotomy exists: preference for status

goods imported from developed countries and preference for cheaper goods imported from other emerging countries.

➢ Consumers perceptions about the origin of a brand might differ from the real one because of ignorance, lack of salience of origin information, or deliberate obfuscation by companies concerned about consumer reactions to unfavourable places. So the perceived origin and not the real one has a diagnostic value for consumers (concept of COA)

➢ Strong brand are less likely to be misclassified than weak (or new) brands

➢ COO can serve either as a stereotype measure or as a proxy for the product attributes.

3. METHODOLOGY

3.1 RESEARCH PROBLEM AND PURPOSE

Combining what emerges from the existing literature with the actual scenario of the luxury market, it has been possible to develop a new framework for further investigations on these topics.

Past Literature	LUXURY LITERATURE	• "Luxury" is a multidimensional and dynamic concept, very context-dependent. It needs specific interpretations
	COO LITERATURE	• "Country of Origin" has different effects on consumers' perceptions, according to the specific characteristics, both personal and social, of individuals and the sector of reference
Actual Scenario	DEMOCRATIZATION CHALLENGE	• Luxury companies are expanding their business to take the pace with globalization, but a high penetration rate is not aligned with the traditional concept of exclusivity of luxury strategies.

RESEARCH PURPOSE	Understand new luxury meanings and the impact that Country of origin could have on them to develop new segmentation criteria and consumer profiling strategies to face the globalization, with particular attention to the entrance of the Eastern countries in luxury market.

Hence the final aim of this study is to find out a new definition of luxury, more coherent with the actual economic scenario, taking into account also those factors related to the Country of Origin effect in order to provide companies with **new criteria and guidelines** for doing a more effective segmentation, which represents one of the key success factors in luxury sector, because can represent a powerful lever to achieve the ultimate goal of overcoming the trade-off between increasing market penetration penetration rate and maintaining premium price.

3.1.1 Research Model
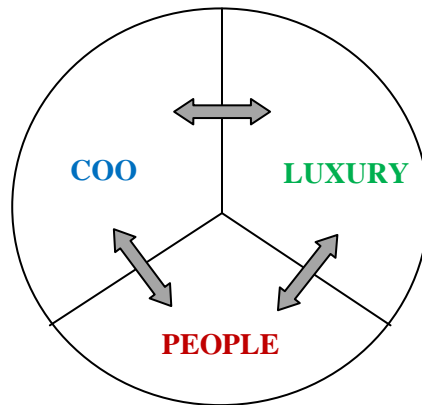
Figure 5: Graphical representation of the research context - Personal source

According to the framework previously described, it has been developed a research model able to cover the main areas of investigation emerged, and capture the interactions among their elements (as shown in the figure).

More specifically, the three investigation areas represent:

"PEOPLE" – the personal dimension of individuals and their behaviour and perceptions as consumers.

"LUXURY" – the world of luxury and its consumption.

"COO" – the Country of Origin of the products and the image that consumers have of it; in this particular case China and Italy will be the object of the study.

Assigning specific variables to represent the dimensions previously described and their relation, it has been created the following model:
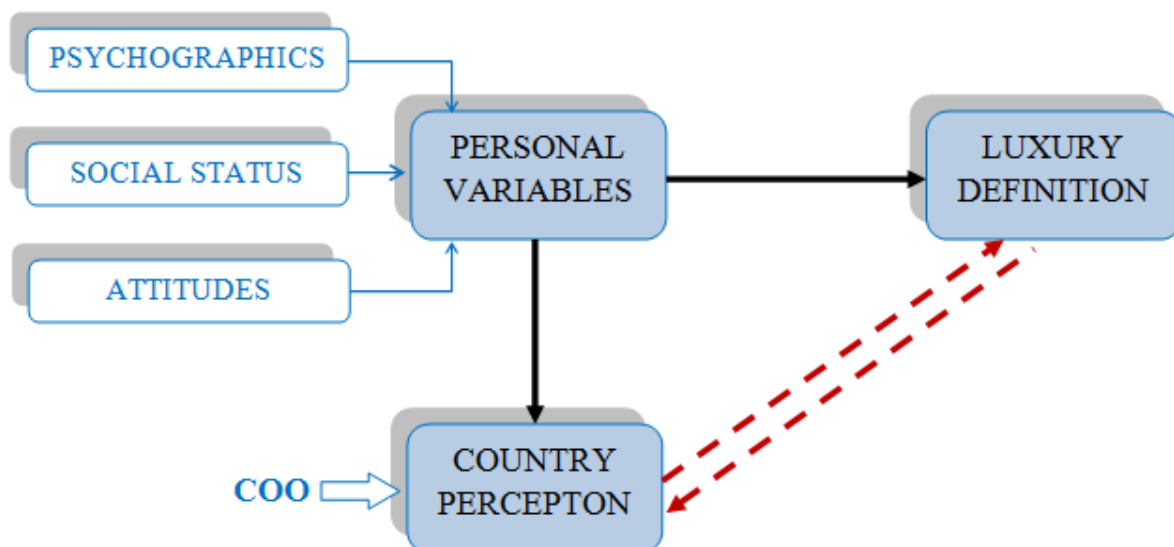
Figure 6: Explanatory model of the research (1)

As it can be seen in the figure, the input variables are the information related to the characteristics of individuals, which are responsible for the image that people have about a specific country and the meaning that attribute to the luxury, that are the two output variables of the model.

In this way it's possible to analyse which values are attributed to the luxury products and how the propensity to buy them changes in relation to the social context and the lifestyle that consumers have, in addition, knowing how the same characteristics influence the image and the stereotype of the different countries, China and Italy in this specific case, it's possible also to define whether the country of origin effect could modify the propensity to purchase luxury products of different provenance.

The investigation can be deepened observing that, while it has been proved by past researches and theories about costumer behaviour, that the black arrows express the right relation and dependence between the personal variable and the consequent perceptions of luxury product and countries image, it has not already analysed which relation links the country of origin effect related to a specific country with the definition of luxury created by individuals. For this reason one of the main contribution of the research will be discovering the existence of the dotted arrows, and this can be done understanding if the perception of a specific country and the related propensity to buy its products, is influenced by the different meanings which consumers give to luxury.

3.1.2 Model's dimensions

After this previous general overview, the three main dimensions of the model will be shown more in detail below.
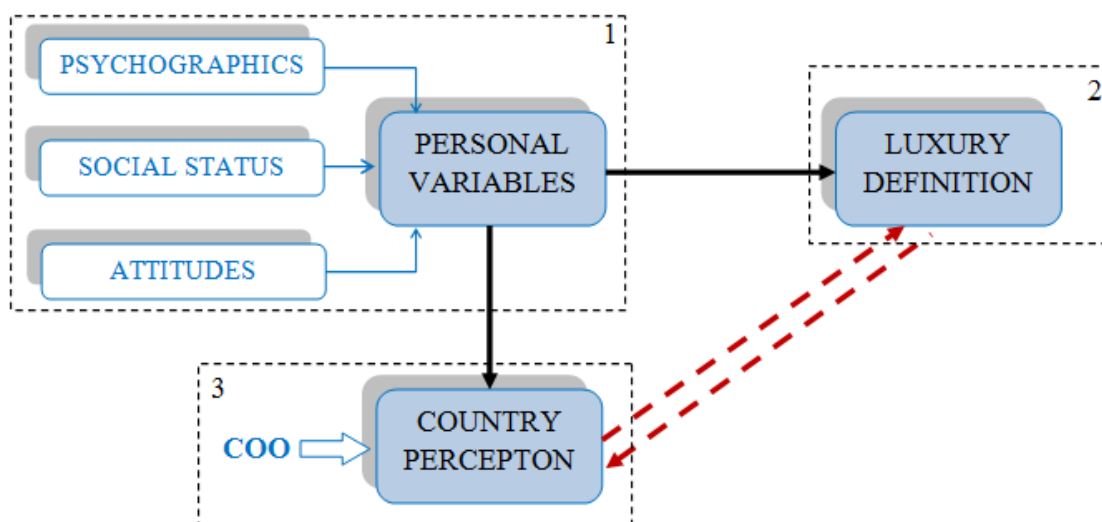
Figure 7: Explanatory model of the research

1.Personal dimension

This dimension is composed by different subsets of variables, which aim at represent the specific traits that describe individuals, in order to distinguish groups of people who present similar characteristics or behaviour within the society.

It has been decide to chose as personal variables the following factors:

- **PSYCHOGRAPHICS** – variables related to the vital statistics and psychological traits, such as lifestyle and personality.

- **SOCIAL STATUS** – variables concerning the role that individuals have within the society, according to their orientation towards themes as self fulfilment, personal success, and individualist rather than collectivist behaviour.

- **ATTITUDES** – in this specific case are the variables related to the tendency to evaluate foreign products positively or negatively and the consequent predisposition in buying them.

The combination of the typologies of variables presented above, is able to generate the consumer profiles.

2. "COO" dimension

This part of the model covers those aspects related to the Country of Origin (COO) effect, including how the origin of the product can influence the decision of buying and evaluate some products. For this reason the variables here included, aim at depicting the country image that consumers have about Italy and China through a comparison of the attributes which they attach to "Made in Italy" and "Made in China" products.

3. Luxury dimension

The third part of the model is built around the concept of luxury; the variable here included express the meanings that can be assigned to luxury according to the attributes that have been already used and validate in the past literature about this topic. As a consequence it is possible to evaluate also the values attributed to the luxury possession, mainly measuring the degree of materialism of individuals, and the buying behaviour which can follow.

3.1.3 Objectives Definition

In conclusion, this study aims at addressing specifically, the following research questions:

- WHO are Italian luxury consumers?
- WHICH are their individual and social CHARACTERISTICS?
- WHAT do they want?

The best procedure resulted to be the most suitable for the achievement of these objectives is graphically showed in the picture below.
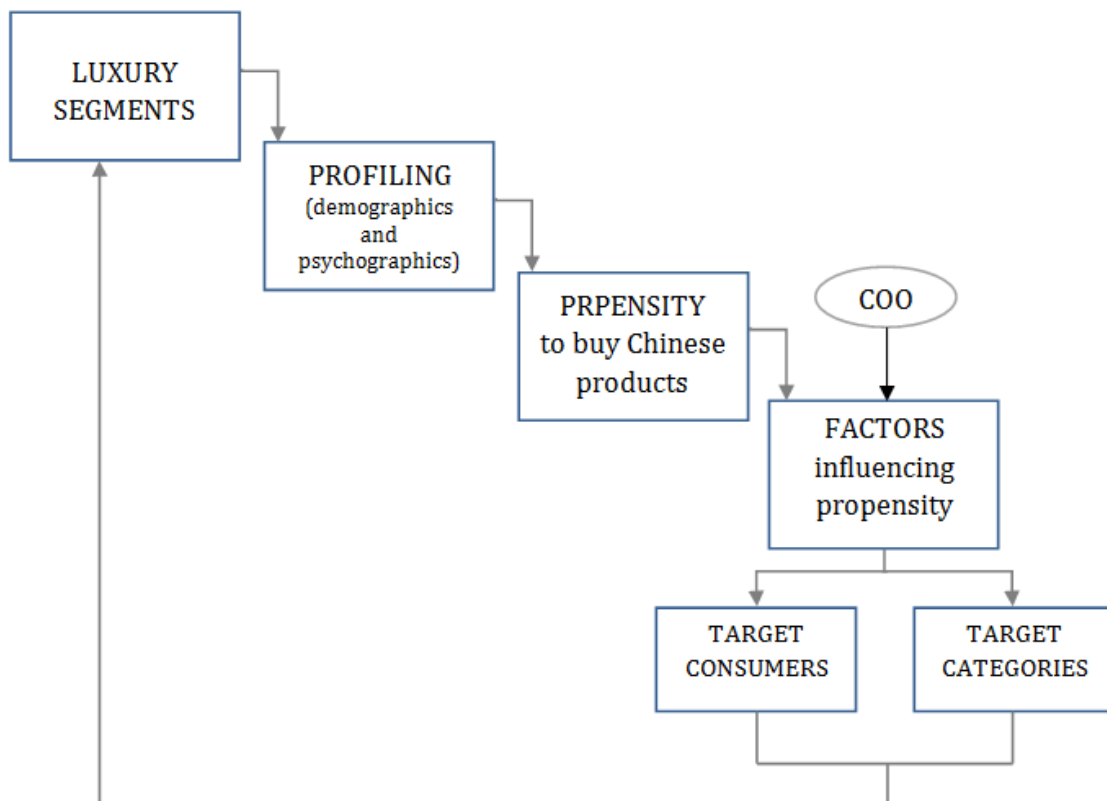
Figure 8: Main steps for application of research model

As it can been seen, the research will be developed passing through different consecutive steps:

1. Identification of consumers segments using data provided by an exploratory survey, "ad hoc" created for this study
2. Profiling respondents falling into different segments, according to their demographic and psychographic characteristics
3. Measuring the propensity to buy Chinese luxury goods of the different typologies of Italian consumers

4. Identifying who are the possible target consumers for Chinese luxury companies and which categories they tend to prefer.

3.2 RESEARCH DESIGN

Since the purpose of this study is to understand luxury meaning and according to them the consumers' propensity of buying luxury products which present Chinese traits, the questionnaire was structured with the final aim of exploring "product evaluations" and "behavioural intentions" of customers.

In order to address this goals it has been decided to build the survey primarily searching for possible item among those already used in successful exploratory surveys with similar scopes, using existing scales already validated in past researches about Country of Origin effect and luxury.

From the literature review it was reasonable to believe that the most useful variables to explore, in respect to the primary constructs of customer behaviour and perceptions:

- MATERIALISM (from and individual and a social perspective)
- ETHNOCENTRISM
- VALUE CONSCIOUSNESS

These variables were successfully used as framework by Piyush Sharma in his study about Country of Origin effects in developed and emerging markets in 2011.

Later on, for each variable will be described the specific sale of reference and the study in which was used and validated.

3.2.1 Materialism

Materialism has been considered one of the main construct of interest for this study, because it is strongly related both with COO and luxury perception; it was meant as "a value that influence the way people interpret their environment and structure their lives" (M. L. Richins,204), in other words this variable assess the importance ascribed to the ownership and acquisition of material goods in achieving personal goals in our life.

In this sense materialism is related to the belief that acquisitions lead to happiness and life satisfaction and under this perspective people's possessions are used to judge the success of others.

According to this definition, materialism can be divided into sub-variables that are:

- o SUCCESS
- o HAPPINES
- o CENTRALITY

The scale used for item generation was the Material Values Scale (MVS) developed by Marsha L. Richins in 2004, and items chosen for this survey are the following.

SUCCESS	• I like owning things that impress people • The things I own say a lot about how well I'm doing in life
CENTRALITY	• Buying things gives me a lot of pleasure • I like a lot of luxury in my life
HAPPINES	• I have all the things I really need to enjoy life

Two more item were added to better analyse the concept of "happiness" in terms of life satisfaction:

- I would be happy to spend the rest of my life in Italy
- I would change my current lifestyle doing something different

Then four more item were added to investigate if the respondent has collectivist or individualist perception of success dimension:

- Everyone should live without being influenced by other people's lives
- My happiness depends also on happiness of people around me
- People who have reached popularity thanks to their personal success, are people to admired
- Achieving success and popularity should be the goal life of everyone.

But materialism is related also to the theory of "conspicuous consumption" already explained in the literature review; according to this displaying possessions is a way for people to show belonging to relevant social groups or on the contrary a way to differentiate themselves from others, as a result of the congruence between self-image and possessions.

For better investigating this "social dimension" of materialism, another sub-variable was created, the **SOCIAL STATUS** one, and the items chosen for this topic, were built with reference to the framework created by Wiedmann, Hennigs, and Siebels in their study about measuring consumers' luxury value perception (2007), taking inspiration from the questionnaire, used by the authors in 2009, for a "value-based segmentation of luxury consumption" (see appendix 3).

The items are the following:

- People who buy luxury products try to differentiate themselves from the others

- I buy a luxury brand for satisfying my personal needs without any attempt to make an impression on other people
- To me, luxury consumption is a way to reduce stress
- I actively avoid using products that are not in style

Other three item were created to better explore the personality of respondents according to their role in society:

- Luxury products allow the owner to be associated to his social models
- By means of luxury products it is possible to declare of belonging to a particular social group
- The ownership of luxury products gets prestige over people around me.

3.2.2 Ethnocentrism

To measure the level of ethnocentrism of respondents, the item were chosen from the Shimp and Sharma (1987)'s CETSCALE which contains 17 questions. This scale was successfully validated to confirm that highly ethnocentric consumers are more prone to discount virtues of foreign products.

As a consequence this scale has been recognized as a valuable mean to investigate how the personal inclinations of respondents towards foreign countries could impact on Chinese product evaluations. The selected questions are the following:

- Only those products that are unavailable in [home country] should be imported
- [Country persons] should not buy foreign products, because this hurts [home country]'s economy
- It is not right to purchase foreign products, because it puts [country persons] out of jobs
- A real [country person] should always buy [country]-made products
- We should purchase products manufactured in [home country] instead of letting other countries get rich off of us
- It may cost me in the long run but I prefer to support [home country]'s products

3.2.3 Value Consciousness

Despite of many other categories, the price has a crucial role in evaluating a luxury product; it is usually associated to superior performances both in terms of perceived quality and prestige.

For this reason it was decided to explore this dimension, trying to measure how much consumers pay attention on getting best value from money, in other words, how much people are conscious of

the real value of products they buy in relation to the price paid and the practical or emotional benefits received in exchange.

In the context of luxury, this dimension is important to understand if consumers use high price as a mean to assess the level of quality or the level of prestige and distinctiveness, in order to measure if respondents are more sensitive to utilitarian or brand-related dimensions.

The items built around this variable were inspired by the scale used in Lichtenstein, Netemeyer, and Burton's research about consumer behavior in distinguishing coupon proneness from value consciousness (1990); with the purpose of using the same contents, the elaborated questions are the following:

- Before buying luxury products, I carefully assess the characteristics of each product
- I buy luxury products only if I know their brand
- I consider myself expert on the luxury
- am an impulsive buyer

As said before, the item described above were chosen with the purpose of investigate consumers characteristics; whereas to explore the different meanings of luxury, it was decided to find out from past studies, analyse for literature review, the most frequent used attributes for describing luxury products. Asking respondents to rate with an appropriate scale these items it was possible to build up different concepts of luxury reflecting the different structure of preferences of the people.

The attributes, both tangible and intangibles, emerged from the past researches were:

- Beauty
- Rarity
- Quality
- Price
- Exclusivity
- Identifiability
- Brand Identity
- Warranty
- Design
- Status
- Durability

- Loudness
- Fashion
- Elegance
- Superiority
- Craftsmanship
- Reputation
- Variety
- Style
- Innovativeness
- Prestige
- Trust/loyalty

- Product integrity
- Culture
- Uniqueness
- Store atmosphere
- Authenticity
- Vanity
- Excellence
- Customer service
- Reliability
- Excess/surplus
- Exoticism

To facilitate the univocal interpretation of the different attributes, several interviews were conducted within the members of the research department, in order to understand the most common

meanings given to them, putting together those figures presented too similar interpretations to avoid redundancy and ambiguity.

After this preliminary step, the following item were generated:

Flashiness	• Loudness • Excess/surplus
Delicacy and refinement in form or design	• Design
Customization, possibility to adapt product's features according to personal needs	• Variety • Uniqueness
Superior customer service	• Customer service • Store atmosphere
Only few people can afford the product	• Exclusivity
Products are made in a limited number	• Rarity
Elegance	• Elegance
An excellent and recognized production process	• Excellence • Trust/Loyalty
Fashionable and in vogue	• Style • Fashion • Vanity
Refined and peculiar in its design	• Excellence • Prestige
Objective beautiful appearance	• Beauty
Higher price in comparison to other brands	• Price
Strong connection with the territory where the product is made	• Culture
Presence of handmade elements	• Craftsmanship
Innovativeness in relation to other available products	• Innovativeness
The producer has a long tradition and experience in the sector	• Product integrity
Guarantee about quality, reliability, and performance of the product	• Quality • Superiority • Durability
The producer is recognized to have a strong reputation in terms of quality	• Reputation
The brand is famous and well-known	• Brand Identity
The product can be easily recognized thanks to	• Identifiability

the visibility and the prominence of the brand	
Product's style or features can be associated to specific cultures	• Exoticism
The product is original, not an imitation	• Authenticity

Table 2: Grouping of luxury attributes and items generation

3.3 QUESTIONNAIRE DEVELOPEMENT

Starting from the research problem depicted in <u>previous paragraph</u>, and to fulfill the research objectives answering to the questions arisen, it has been decide of using an exploratory survey as strategy of inquiry.

The research was conducted in Italy using an on-line survey; a random sample of 500 people received an e-mail with a URL link to a web-based questionnaire, introducing itself as an academic and completely anonymous study.

The structured questionnaire was ideated combining and enriching the items collected from exiting literature, and previously illustrated.

The interviewees were asked to answer close-ended Liker-type questions, expressing personal opinions about their experience in buying and using luxury goods, with reference to products only, without considering luxury services.

The questionnaire (reported in appendix4) was in Italian and composed by four main sections; the first one was about "Consumer profile", the second one about "Luxury definition" and the last two about "Chinese luxury" and "Italian luxury" respectively.

3.3.1 Consumer profile

This part was thought with the purpose of gathering information about personal traits and lifestyle of respondents.

The first five questions were about vital statistics, following the guidelines of the national Italian surveys made by ISTAT*.

1.AGE

☐ 16-20   ☐ 21-27   ☐ 28-34   ☐ 35-39   ☐ 40-45   ☐ 45-50   ☐ over 50

2.GENDER

☐ M   ☐ F

3.EDUCATION LEVEL

☐Secondary education ☐Higher education ☐Graduate education ☐Postgraduate education

4.FAMILY UNIT

☐ 1   ☐ 2   ☐ 3   ☐ 4   ☐ 5   ☐ more than 5

5.AVERAGE YEARLY INCOME OF YOUR FAMILY

☐ Less than 20.000€   ☐ 20.000€ – 35.000€   ☐ 35.000€ - 60.000€

☐ 60.000€ - 100.000€   ☐100.000€ - 500.0000€   ☐ more than 500.000€

After were put four questions with a five-points Likert-type response format, where "1" means "I completely disagree" and "5" means "I completely agree". The items were about psychographic dimensions concerning lifestyle and personal satisfaction (A), buying behaviour (B), role in society (C), and personal level of ethnocentrism (D) respectively

A) Which is your level of agreement with the following sentences?	1	2	3	4	5
I consider myself expert on the luxury					
At the moment I own many luxury products					
Before buying luxury products, I carefully assess the characteristics of each product					

I buy luxury products only if I know their brand					
I am very satisfied with my actual life and how the things are going.					
I would be happy to spend the rest of my life in Italy					
I would change my current lifestyle doing something different					
I like when products that I bought get my status over					
I like when people appreciate products I buy					

B) Show your propensity in doing the following actions:	1	2	3	4	5
Actually I buy Italian luxury products					
Actually I buy Chinese luxury products					
I'd willingly buy Chinese luxury products					
I'd buy Chinese but made in Italy luxury products					
Actually I buy Italian luxury products					

C) Show how much do you agree with the following sentences:	1	2	3	4	5
I am often an impulsive buyer					
I am glad to think that products which I buy are those on everyone's lips					
Everyone should live without letting others influence his own life					
My happiness depends also on the happiness of the people around me					
People who reach success and popularity thank to their personal abilities, are usually looked up					
Achieving popularity and success should be the everyone's objective.					

D) With reference to luxury products, which is your level of agreement with the following sentences?	1	2	3	4	5
Only those products that are unavailable in Italy should be imported					
Italians should not buy foreign products, because this hurts Italy's economy					
A real Italian should always buy "made in Italy" products					
We should purchase products manufactured in Italy instead of letting other countries get rich off of us					

It may cost me in the long run but I prefer to support Italian products	__	__	__	__	__

The last two questions of this part were thought to collect information about the different perception that respondent had about China and Italy without reference to luxury dimension. It was ask them to express using a "1 to 5" scale , how much the proposed attribute were related to the country; to facilitate the association it was ask to think to products generally used which were known to be "made in Italy" and "made in China".

Thinking of "made in China" clothing, which attributes come to your mind?					
LEVEL OF ASSOCIABILITY	1	2	3	4	5
High quality					
Convenience					
Fashionable					
Stylish					
Reliable manufacture					
With strong traditional traits					
Close to my tastes					

Thinking of "made in Italy" clothing, which attributes come to your mind?					
LEVEL OF ASSOCIABILITY	1	2	3	4	5
High quality					
Convenience					
Fashionable					
Stylish					
Reliable manufacture					
With strong traditional traits					
Close to my tastes					

3.3.2 Luxury definition

This section aimed at exploring respondents mindset and personality, not in general terms as in previous part, but with specific reference to luxury world. The first two questions were about definition of luxury concept, carried out by rating the items generated from the luxury attributes previously presented.

A "1 to 5" scale was used, where 1 means "absolutely no" and 5 means "absolutely yes", and the items were organised in the following way :

1.When do you think to a "luxury product", which features come up your mind?	1	2	3	4	5
Flashiness					
Delicacy and refinement in form or design					
Customization, possibility to adapt product's features according to personal needs					
Superior customer service					
Only few people can afford the product					
Products are made in a limited number					
Elegance					
An excellent and recognized production process					
Fashionable and in vogue					
Refined and peculiar in its design					
Objective beautiful appearance					
Higher price in comparison to other brands					

2.Which of the following characteristics make a product a "luxury good"?	1	2	3	4	5
Strong connection with the territory where the product is made					
Presence of handmade elements					
Innovativeness in relation to other available products					
The producer has a long tradition and experience in the sector					
Guarantee about quality, reliability, and performance of the product					
The producer is recognized to have a strong reputation in terms of quality					

The brand is famous and well-known					
The product can be easily recognized thanks to the visibility and the prominence of the brand					
Product's style or features can be associated to specific cultures					
The product is original, not an imitation					

The other questions were created to explore again personal traits of respondents, but this time with an explicit reference to luxury context; the items were chosen to investigate the relation of materialism with luxury possessions and the motivations of luxury consumption.

Also in this case the level of agreement of respondents was measured using a "1 to 5" scale as before.

Express your level of agreement with the following sentences:	1	2	3	4	5
Having luxury goods makes me feel good					
Buying luxury goods is a reason for self-esteem and gratification					
Luxury products allow the owner to be associated to his social models					
By means of luxury products it is possible to declare of belonging to a particular social group					
The ownership of luxury products gets prestige over people around me.					

For which reason do you buy luxury products?	1	2	3	4	5
Because they have a superior quality					
Because it is a way for showing my social status					
Because they are more beautiful					
Because buying luxury good is more enjoyable					

Purchasing luxury products, in your opinion is:	1	2	3	4	5
Enjoyable and entertaining					
A loss of time					
A necessary moment to feel gratified					
A well-deserved moment to relax					

After a general investigation about respondents perceptions about luxury, it was decided to collect information about how respondents saw luxury goods which are designed in China and commercialized by eastern and western companies and which would be the most suitable sectors for these products , in their opinion.

3.3.3 Chinese luxury

The questions of this part were ideated asking people to respond thinking of luxury products designed, produced and sold by Chinese luxury companies.

The format was the same of the other section, a "five-point Likert scale" from "absolutely no" to "absolutely yes".

1.In your opinion, in which of the following categories, China could be able to launch a luxury brand?	1	2	3	4	5
Clothing					
Perfumes					
Cosmetics					
Leather goods (bags, shoes, etc.)					
Accessories					
Jewels					
Spirits					

2. Which of the following characteristics, a Chinese luxury good should have, in your opinion?	1	2	3	4	5
A traditional design					
An innovative design					
Similar to western style					
Peculiar and distinctive					
Lower price with reference to western products					

3.Thinking of a Chinese luxury brand, which characteristics would make its products desirable?	1	2	3	4	5
Inexpensive price					
Modernity					

High quality manufacture	—	—	—	—	—
Peculiar and traditional style	—	—	—	—	—
Chinese design is easily recognizable	—	—	—	—	—

3.3.4 Italian luxury

The last part is equal to the previous one and the questions are exactly the same, but in this case the context of reference is that of Italian luxury goods, designed and produced by Italian companies.

The purpose of this section is to make possible a direct comparison between perceptions about products which are the same but have different origins.

3.3.5 Summary of questionnaire's items

The table below shows all the items used to build the questionnaire and the related "codes" which have been used to identify them during the phases of data analysis and results discussion.

CODE	ITEMS
Demo_1	Age
Demo_2	Gender
Demo_3	Education Level
Demo_4	Family Unit
Demo_5	Family yearly income
Psychographic_1	I consider myself expert on the luxury
Psychographic_2	At the moment I own many luxury products
Psychographic_3	Before buying luxury products, I carefully assess the characteristics of each product
Psychographic_4	I buy luxury products only if I know their brand
Psychographic_5	I am very satisfied with my actual life and how the things are going.
Psychographic_6	I would be happy to spend the rest of my life in Italy
Psychographic_7	I would change my current lifestyle doing something different
Psychographic_8	I like when products that I bought get my status over
Psychographic_9	I like when people appreciate products I buy
Italian_luxury_purchase	Actually I buy Italian luxury products
Chinese_luxury_purchase	Actually I buy Chinese luxury products
Propensity_3	I'd willingly buy Chinese luxury products
Propensity_4	I'd buy Chinese but made in Italy luxury products
Propensity_5	Actually I buy Italian luxury products
Status_1	I am often an impulsive buyer
Status_2	I am glad to think that products which I buy are those on everyone's lips
Status_3	Everyone should live without letting others influence his own life
Status_4	My happiness depends also on the happiness of the people around me
Status_5	People who reach success and popularity thank to their personal abilities, are usually looked up
Status_6	Achieving popularity and success should be the everyone's objective.

Ethnocentrism_1	Only those products that are unavailable in Italy should be imported
Ethnocentrism_2	Italians should not buy foreign products, because this hurts the economy of the home country
Ethnocentrism_3	A real Italian should always buy "made in Italy" products
Ethnocentrism_4	We should purchase products manufactured in Italy instead of letting other countries get rich off of us
Ethnocentrism_5	It may cost me in the long run but I prefer to support Italian products
High_quality	High quality
Convenience	Convenience
Fashionable	Fashionable
Stylish	Stylish
Reliable_Manufacture	Reliable manufacture
Traditional_traits	With strong traditional traits
Close_to_tastes	Close to my tastes
High_quality	High quality
Convenience	Convenience
Fashionable	Fashionable
Stylish	Stylish
Reliable_Manufacture	Reliable manufacture
Traditional_traits	With strong traditional traits
Close_to_tastes	Close to my tastes
Higher price	Higher price in comparison to other brands
Beauty	Objective beautiful appearance
Design	Product's style or features can be associated to specific cultures
Fashion	Fashionable and in vogue
Excellent_manufacture	An excellent and recognized production process
Elegance	Elegance
Rarity	Products are made in a limited number
Exclusiveness	Only few people can afford the product
Customer_service	Superior customer service
Customization	Customization, possibility to adapt product's features according to personal needs
Delicacy	Delicacy and refinement in form or design
Fleshiness	Flashiness
Authenticity	The product is original, not an imitation
Identifiability	The product can be easily recognized thanks to the visibility and the prominence of the brand

Brand	The brand is famous and well-known
Reputation	The producer is recognized to have a strong reputation in terms of quality
Quality	Guarantee about quality, reliability, and performance of the product
Tradition	The producer has a long tradition and experience in the sector
Innovativeness	Innovativeness in relation to other available products
Craftsmanship	Presence of handmade elements
Origin	Strong connection with the territory where the product is made
Higher price	Higher price in comparison to other brands
Materialism_1	Having luxury goods makes me feel good
Materialism_2	Buying luxury goods is a reason for self-esteem and gratification
Materialism_3	The ownership of luxury products gets prestige over people around me.
Materialism_4	Luxury products allow the owner to be associated to his social models
Materialism_5	By means of luxury products it is possible to declare of belonging to a particular social group
Superior_Quality	Because they have a superior quality
Status_Need	Because it is a way for showing my social status
Beauty	Because they are more beautiful
Enjoyability	Because buying luxury good is more enjoyable
Enjoyable	Enjoyable and entertaining
Loss_of_time	A loss of time
Gratifying	A necessary moment to feel gratified
Relaxing	A well-deserved moment to relax
Clothing	Clothing
Perfumes	Perfumes
Cosmetics	Cosmetics
Leather goods	Leather goods (bags, shoes, etc.)
Accessories	Accessories
Jewels	Jewels
Spirits	Spirits
Traditional_design	A traditional design
Peculiar_style	Peculiar and traditional style
Chinese_design	Chinese design is easily recognizable
Innovative_design	An innovative design
Distinctive	Peculiar and distinctive

Modernity	Modernity
High_quality	High quality manufacture
Western _style	Similar to western style
Lower_price	Lower price with reference to western products
Convenient	Inexpensive price
Clothing	Clothing
Perfumes	Perfumes
Cosmetics	Cosmetics
Leather goods	Leather goods (bags, shoes, etc.)
Accessories	Accessories
Jewels	Jewels
Spirits	Spirits
Traditional_design	A traditional design
Distinctive	Peculiar and distinctive
Peculiar_style	Peculiar and traditional style
Italian_design	Italian design is easily recognizable
Innovative_design	An innovative design
Modernity	Modernity
High_quality	High quality manufacture
Lower_price	Lower price with reference to western products
Convenient	Inexpensive price

Table 3: Summary of questionnaire's items and codes

4. FINDINGS

4.1 SAMPLE COMPOSITION

		MALE		FEMALE		TOTAL	
AGE	1=16-20	1	0,4%	5	2,2%	6	2,6%
	2=21-27	68	30,0%	68	30,0%	136	59,9%
	3=28-34	32	14,1%	22	9,7%	54	23,8%
	4=35-39	5	2,2%	3	1,3%	8	3,5%
	5=40-45	3	1,3%	5	2,2%	8	3,5%
	6=45-50	2	0,9%	4	1,8%	6	2,6%
	7=50+	7	3,1%	2	0,9%	9	4,0%
	TOTAL	**118**	**52,0%**	**109**	**48,0%**	**227**	**100,0%**
EDUCATION	1=Secondary education	11	4,8%	5	2,2%	16	7,0%
	2=Higher education	29	12,8%	41	18,1%	70	30,8%
	3=Graduate education	69	30,4%	54	23,8%	123	54,2%
	4=Postgraduate education	9	4,0%	9	4,0%	18	7,9%
	TOTAL	**118**	**52,0%**	**109**	**48,0%**	**227**	**100,0%**
FAMILY UNIT	1	5	2,20%	7	3,08%	12	5,29%
	2	12	5,29%	15	6,61%	27	11,89%
	3	31	13,66%	18	7,93%	49	21,59%
	4	55	24,23%	46	20,26%	101	44,49%
	5	11	4,85%	19	8,37%	30	13,22%
	more than 5	4	1,76%	4	1,76%	8	3,52%
	TOTAL	**118**	**51,98%**	**109**	**48,02%**	**227**	**100,00%**
FAMILY INCOME	1=Less than 20.000€	4	1,8%	9	4,0%	13	5,7%
	2=20.000€ – 35.000€	38	16,7%	41	18,1%	79	34,8%
	3=35.000€ - 60.000€	39	17,2%	45	19,8%	84	37,0%
	4=60.000€ - 100.000€	25	11,0%	12	5,3%	37	16,3%
	5=100.000€ - 500.0000€	11	4,8%	2	0,9%	13	5,7%
	6=more than 500.000€	1	0,4%		0,0%	1	0,4%
	TOTAL	**118**	**52,0%**	**109**	**48,0%**	**227**	**100,0%**

Table 4: Sketch of the main sample's features

The table shows the composition of the sample classifying the respondents according to the percentages of the different demographic characteristics.

Hereafter the main descriptive statistics of the demographic variables are reported:

Valori	Mean	Std Dev
AGE	2,692	1,291
GENDER	1,480	0,501
EDUCATION LEVEL	2,630	0,731
FAMILY UNIT	3,590	1,131
FAMILY INCOME	2,828	0,992

Table 5: Mean and Standard deviation of demographic variables

4.2 DATA ANALYSIS

4.2.1 Exploratory factor analysis

Since the items of the questionnaire were taken from scales already used in past researches, a reliability analysis has already carried out, and as can be seen in the paper of reference, the items relative to the variables previously identified had an adequate level of internal coherence.

Excluding the questions about demographic variables, the questionnaire is composed by 118 items with a Liker-type response format; in order to know if it was reasonable considering a lower number of variables during the phase of data analysis, it was decided to perform an exploratory factor analysis.

Factor analysis in fact is used mostly for data reduction purposes, in order to get a smaller set of uncorrelated variables from a large dataset and find out if there are variables that measure similar things.

This statistical method is based on creation of potential "factors" which are linear correlation of the observed variables plus error terms. Through the calculation of "eigenvalues" it is possible to measure the total variance accounted by each factor. According to the Kaiser criterion it was decided to retain those factors with eigenvalues equal or higher than 1.

To assess the goodness of the chosen factors, it was used the "proportion value" which indicates the relative weight (in percentage) of the total variance explained by each factor.

Starting with exploratory factor analysis of items about luxury attributes:

Factor	Eigenvalue	Difference	Proportion	Cumulative
Factor1	5.11128	2.97539	0.5138	0.5138
Factor2	2.13590	0.94730	0.2147	0.7285
Factor3	1.18860	0.15168	0.1195	0.8479
Factor4	1.03692	0.22769	0.1042	0.9522

Factor5	0.80923	0.34463	0.0813	1.0335
Factor6	0.46461	0.15721	0.0467	1.0802

Table 6: Factor analysis of luxury attributes

The pattern matrix below offers a clearer picture of the relevance of each variable in the specific factor, in addition has been computed also the "uniqueness" value, which shows the variance that is 'unique' to the variable and not shared with other variables. Empty cells represent a factor loading lower than 0.3 for the specific factor.

Variable	Factor1	Factor2	Factor3	Factor4
Higher price		0.4223		
Beauty	0.5074		-0.5049	
Design	0.5698		-0.3899	
Fashion		0.3612		
Excellent_manufacture	0.6836			
Elegance	0.6623			
Rarity	0.3221	0.3434		0.3771
Exclusiveness		0.4131		
Customer_service	0.6399			
Customization	0.4539			0.3847
Delicacy	0.6881			
Fleshiness	-0.3511	0.5380		
Authenticity	0.4925			
Exoticism				
Identifiability		0.7606		
Brand		0.7246		-0.3283
Reputation	0.6086		0.3233	-0.3531
Quality	0.7438			
Tradition	0.5648		0.3907	
Innovativeness	0.4970			
Craftsmanship	0.5364		0.3216	
Origin	0.4428			

Table 7: Factor loadings of luxury attributes

The following table represents the rotated factor loadings, that is a varimax rotation which produces orthogonal factors. This means that factors are not correlated to each other. This is the recommended setting to identify variables to create new ones without inter-correlated components Variables with uniqueness value equal to or higher than 0.6 have been discarded, instead "Factor4" has been rejected because all the relative factor loadings were lower than 0.4.

This was the final result:

Variable	Factor1	Factor2	Factor3
Beauty	0.7170		
Design	0.6421		
Excellent_manufacture	0.5049		
Elegance	0.6365		
Customer_service	0.5866		

Delicacy	0.6773	
Fleshiness		0.5031
Identifiability		0.7784
Brand		0.7984
Reputation	0.7356	
Quality	0.7698	
Tradition	0.7230	
Craftsmanship	0.4817	

Table 8: Rotated factor loadings of luxury attributes

At this point it has been possible to create three new variables defined as the arithmetic mean between the values of the rotated factor loadings:

- "PRODUCT" – comprises all the items product-related, which concern both tangible and intangible attributes that is, its manufacture, its external appearance, but also its modality of purchasing.

- "MANUFACTURER" – refers to items related to the characteristics of the producer; those aspects such as its reputation and tradition in this sector, which have a strong impact on the intrinsic quality of the product.

- "SHOWOFF" – involves all the items brand-related, which express the power of product in communicating status and prestige through its image and not through its physical features.

The internal level of coherence of the new variables was checked using Cronbach's Alpha coefficient.

"PRODUCT"	Obs	α
Beauty	227	0.8088
Design	227	0.8144
Excellent_manufacture	227	0.8145
Elegance	227	0.8009
Customer_service	227	0.8146
Delicacy	227	0.7968
Test Scale		**0.8351**

Table 9: Cronbach's alpha PRODUCT

"MANUFACTURER"	Obs	α
Reputation	227	0.6966
Quality	227	0.6831
Tradition	227	0.6921
Craftsmanship	227	0.8218
Test Scale		**0.7764**

Table 10: Cronbach's alpha MANUFACTURER

"SHOWOFF"	Obs	α
Reputation	227	0.8181
Quality	227	0.5261
Tradition	227	0.6043
Test Scale		0.7394

Table 11: Cronbach's alpha SHOWOFF

The same procedure has been repeated for all the other groups of item sharing the same semantic context within the questionnaire.

Referring to items about psychographics dimensions:

Factor	Eigenvalue	Difference	Proportion	Cumulative
Factor1	1.81164	0.86074	0.6277	0.6277
Factor2	0.95090	0.28317	0.3295	0.9572
Factor3	0.66773	0.37071	0.2314	1.1885
Factor4	0.29701	0.23474	0.1029	1.2915

Table 12: Factor analysis Psychographics

Only one factor satisfy the Kaiser criterion (eignvalue higher than 1), however since "factor 2 had a eigenvalue very close to 1, it was judged representative, in fact as it can be seen in the table above, the two factors together explain the 95.72% of the variance.

Variable	Factor1	Factor2
Psychographic_1	0.7257	
Psychographic_2	0.6962	
Psychographic_3		
Psychographic_4		
Psychographic_5		0.4747
Psychographic_6		0.3925
Psychographic_7		-0.6144
Psychographic_8	0.5570	
Psychographic_9	0.6079	

Table 13:Factor loadings Psychographics

To verify the internal coherence of the resulted factors, Cronbach's Alpha analysis was performed.

Construct	Obs	α
Psychographic_1	227	
Psychographic_2	227	
Psychographic_8	227	0.7420
Psychographic_9	227	
Psychographic_5	227	
Psychographic_6	227	0.5627
Psychographic_7	227	

Table 14: Cronbach's alpha Psychographics

Also if the first four Psychographic items in the table are statistically coherent, they were not related to the same topics, so it was not reasonable in terms of meanings put them together. To overcame this problem they were logically divided into two subgroups and the Crombach's alpha was recomputed:

Construct	Obs	α
Psychographic_1	227	0.6900
Psychographic_2	227	
Psychographic_8	227	0.7600
Psychographic_9	227	

Table 15: Cronbach's alpha Psychografichs subgroups

Items labeled "Psichographic_3" and "Psychographic_4" showed an uniqueness value higher than 93% *, so they were analysed separately; they are semantically related and Cronbach's alpha coefficient confirmed that they were coherent also from a statistical standpoint, showing an alpha coefficient equal to **0,5438**.

Also in this case new constructs were created according to the computed factors:

- "LUXURY_EXPERT" (made of Psychographic_1 and Psychographic_2) – indicates how much a consumer consider himself a good connoisseur in luxury.
- "VALUE CONSCIOUSNESS" (made of Psychographic_3 and Psychographic_4) – represents the level of consciousness about the real value of a luxury product before of purchasing it
- "LIFE_SATISFACTION" (made of Psychographic_5, Psychographic_6 and Psychographic_7) – shows how much the respondent is satisfied about his actual life in Italy
- "MATERIALISTIC_LIFESTYLE" (made of Psychographic_8 and Psychographic_9) – points out how important is that products which a person buys are able to show the status of the owner.
-

Referring to items about propensity to buy Italian and Chinese luxury goods:

Factor	Eigenvalue	Difference	Proportion	Cumulative
Factor1	1.50083	1.24126	1.1280	1.1280
Factor2	0.25957	0.28333	0.1951	1.3231
Factor3	-0.02376	0.11213	-0.0179	1.3052

Table 16: Factor analysis Chinese_luxury_propensity

Only one factor presented an eigenvalue higher than 1.

The first two items are related to an actual buying attitude, whereas the other three are based on potential purchase inclinations, this difference was supported statistically by the values of

uniqueness of the first two items equal to 98% and 82% respectively, so it was reasonable to focus the analysis and the calculation of the factor loadings and alpha coefficients on the last three items.

Construct	Factor1	Obs	α
Propensity_3	0.7192	227	0.6327
Propensity_4	0.6121	227	0.6595
Propensity_5	0.6407	227	0.6293
Test Scale			0.7278

Table 17:Factor loadings Chinese_luxury_propensity

The analysis confirmed the coherence of the three item, so it was possible to create a comprehensive construct as in the previous cases:

- "CHINA_LUXURY_PROPENSITY" – expresses the level of predisposition to purchase Chinese luxury goods, with reference also to products which are Italian but manufactured in china and Chinese goods but manufactured in Italy.

Referring to items related to social status dimension:

Component	Eigenvalue	Difference	Proportion	Cumulative
Comp1	1.78288	0.68245	0.2971	0.2971
Comp2	1.10044	0.0898322	0.1834	0.4806
Comp3	1.0106	0.101819	0.1684	0.6490
Comp4	.908784	0.2164	0.1515	0.8005
Comp5	.692384	0.187475	0.1154	0.9158

Table 18: Principal component analysis Social_Status

In this specific case it was adopted the principal component analysis (PCA), as data reduction technique, it has the same purpose of the exploratory factor analysis (EFA), but in PCA, all of the observed variance is analyzed, while in EFA it is only the shared variances that is analyzed.

The principal components which satisfied Kaiser criteria were three.

Variable	Comp1	Comp2	Comp3
Status_1		0.7220	
Status_2		0.5358	
Status_3			0.6615
Status_4			0.6932
Status_5	0.6869		
Status_6	0.6807		

Table 19: Factor loadings Social_Status

Also in this case the Conbach's alpha was calculated for each component.

Variable	Obs	α
Status_1	227	0.4102
Status _2	227	

Status _3	227	**0.0445**	
Status _4	227		
Status_5	227	**0.6132**	
Status_6	227		

Table 20: Cronbach's alpha Social_status

The internal coherence was not confirmed for the items "Status_3" and "Status_4", so new variables were created only for the other ones, and they are respectively:

- "EXTROVERSION" (Status_1 and Status_2) – refers to the attitude of being appreciated by people, and buying products which everyone would have.
- "SUCCESS_ACHIEVEMENT" (Status_5 and Status_6) – refers to the importance given to the achievement of success and popularity as personal life goal.

Referring to ethnocentrism related items:

Factor	Eigenvalue	Difference	Proportion	Cumulative
Factor1	**2.82039**	2.73151	1.0816	10.816
Factor2	0.08888	0.15692	0.0341	11.157
Factor3	-0.06804	0.04274	-0.0261	10.896

Table 21: Factor analysis Ethnocentrism

As expected only one factor resulted able to explain all five items related to ethnocentric dimension, in fact they were selected from the CETSCALE, already validated by Shrimp and Sharma*. Alpha's calculation supported the creation of a comprehensive construct with the following factor loadings.

Variable	Factor1	Obs	α
Ethnocentrism_1	0.6451	227	0.8517
Ethnocentrism_2	0.8259	227	0.8062
Ethnocentrism_3	0.8420	227	0.8012
Ethnocentrism_4	0.8747	227	0.7888
Ethnocentrism_5	0.4980	227	0.8795
Test Scale			**0.8574**

Table 22: Factor loadings Etnocentrism

The new variable was named "ETHNOCENTRISM" and indicates the propensity in evaluating in a negative way foreign products with respect to the home-made ones.

Referring to the items related to the attributes more favourably associable to Chinese goods:

Factor	Eigenvalue	Difference	Proportion	Cumulative
Factor1	**2.65601**	2.27297	1.0269	1.0269
Factor2	0.38304	0.27451	0.1481	1.1750

Factor3	0.10853	0.16670	0.0420	1.2169
Factor4	-0.05817	0.08473	-0.0225	1.1945

Table 23: Factor analysis Chinese goods attributes

Variable	Factor1
High_quality	0.6236
Convenience	
Fashionable	0.6110
Stylish	0.7778
Reliable_Manufacture	0.6581
Traditional_traits	0.5637
Close_to_tastes	0.7304

Table 24: Factor loadings Chinese goods attributes

The factor analysis stressed out a strong correlation among all the attributes related to Chinese clothing except for "convenience", which showed an independent behaviour, statistically speaking it presented an uniqueness value equal to 99.6%.

The interesting aspect was discovering that the same results arose repeating the factor analysis on the same attributes, but with reference to Italian clothing. Also in this case the uniqueness value of the feature "convenience" was exactly the same as before.

Factor	Eigenvalue	Difference	Proportion	Cumulative
Factor1	**2.81861**	2.62249	1.0570	1.0570
Factor2	0.19611	0.07451	0.0735	1.1305
Factor3	0.12160	0.17568	0.0456	1.1761
Factor4	-0.05408	0.01571	-0.0203	1.1558

Table 25: Factor lanalysis Italian goods attributes

Variable	Factor1
High_quality	0.6541
Convenience	
Fashionable	0.7410
Stylish	0.8140
Reliable_Manufacture	0.7642
Traditional_traits	0.4919
Close_to_tastes	0.5905

Table 26: Factor loadings Italian goods attributes

The internal coherence was confirmed by alpha coefficient both for Chinese and Italian case:

Construct	Obs	α - China	α - Italy
High_quality	227	0.8037	0.8151
Fashionable	227	0.8102	0.8007
Stylish	227	0.7718	0.7843
Reliable_Manufacture	227	0.7961	0.7927

Traditional_traits	227	0.8145	0.8403
Close_to_tastes	227	0.7812	0.8235
Test Scale		**0.8247**	**0.8367**

Table 27: cronbach's alpha Chinese and Italian goods attributes

New constructs were created:

- "CHI_CONVENIENCE" and "ITA_CONVENIENCE" which are the code for the items related to the convenience as one of the attributes associable to Chinese and Italian clothing respectively.
- "MADE_IN_CHINA" and "MADE_IN_ITALY" are the summary variables of all the other features associated to Chinese and Italian luxury clothing and resulted internally correlated.

As in the case of "Ethnocentrism", factor analysis of materialism-related items showed that they all are internal correlated confirming the belonging the already validated Rchin's scale.

Factor	Eigenvalue	Difference	Proportion	Cumulative
Factor1	**2.45812**	1.67483	0.8642	0.8642
Factor2	0.78330	0.86071	0.2754	1.1396
Factor3	-0.07742	0.06673	-0.0272	1.1124

Table 28: Factor analysis Materialism

Variable	Factor1	Obs	α
Materialism_1	0.7107	227	0.7903
Materialism_2	0.7758	227	0.7669
Materialism_3	0.7299	227	0.7466
Materialism_4	0.7229	227	0.7501
Materialism_5	0.5439	227	0.8162
Test Scale			**0.8116**

Table 29: Factor loadings Materialism

After a further verification through alpha coefficient, a new comprehensive construct was generated:

- "MATERIALISM" – corresponding to the level of propensity to use material possessions as a mean to be associated to particular social groups and for self gratification.

Referring to items related to experience of luxury goods buying:

Factor	Eigenvalue	Difference	Proportion	Cumulative
Factor1	**1.45948**	1.37310	1.2362	1.2362
Factor2	0.08638	0.24091	0.0732	1.3093
Factor3	-0.15453	0.05615	-0.1309	1.1784

Table 30: Factor nalysis Luxury buying experience

Variable	Factor1
Enjoyable	0.7154
Loss_of_time	-
Gratifying	0.5457
Relaxing	0.7308

Table 31: Factor loadings Luxury buying experience

"Loss of time" item showed a negative factor loading, lower than 0.3 and a very high uniqueness.

Supported by Cronbach's alpha calculation, a new comprehensive construct was created:

- "POSITIVE_BUYING_EXPERIENCE" - represents the variable indicating that consumer perceives purchasing of luxury goods as a positive activity.

Variable	Obs	α
Enjoyable	227	0.6409
Gratifying	227	0.7422
Relaxing	227	0.5568
Test Scale		0.7400

Table 32: Cronbach's alpha Positive_Buying_Purchase

In the end, also the sections about Italian and Chinese luxury were analysed, following the same statistical procedure.

Referring to items related to attributes of Chinese luxury goods, PCA was carried out:

Component	Eigenvalue	Difference	Proportion	Cumulative
Comp1	2.60747	0.719198	0.2607	0.2607
Comp2	1.88827	0.354448	0.1888	0.4496
Comp3	1.53383	0.561851	0.1534	0.6030
Comp4	0.971975	0.227969	0.0972	0.7002
Comp5	0.744006	0.126544	0.0744	0.7746
Comp6	0.617462	0.132453	0.0617	0.8363

Table 33: Principal component analysis Chinese luxury attributes

Variable	Comp1	Comp2	Comp3
A traditional design	0.4877		
An innovative design		0.5825	
Similar to western style			0.3968
Peculiar and distinctive		0.3572	
Lower price with reference to western products			0.6219
Inexpensive price			0.6011
Modernity		0.5576	
High quality manufacture		0.4343	
Peculiar and traditional style	0.5735		
Chinese design is easily recognizable	0.5004		

Table 34: Factor loadings Chinese luxury

According to the table of the rotated orthogonal components, alpha coefficient gave the following results:

Variable	Obs	α	Test Scale
Traditional_design	227	0.7613	
Peculiar_style	227	0.4577	0.7135
Chinese_design	227	0.6078	
Innovative_design	227	0.5659	
Distinctive	227	0.6024	
Modernity	227	0.5474	0.6456
High_quality	227	0.5929	
Western _style	227	0.6667	
Lower_price	227	0.4052	0.6274
Convenient	227	0.4820	

Table 35: Cronbach's alpha Chinese luxury

Following the grouping of the variables in the table above, the new generated constructs were:

- "CHINESE_TRAITS" – comprises items about Chinese peculiar style and design
- "DISTINCTIVE_MODERNITY" – involves attributes related to innovativeness in design and manufacture
- "LOW_PRICE" – represents the convenience feature, especially in comparison with equivalent western products

The same analysis was replied also for the last two questions of the questionnaire, equal to the previous ones but referred to Italian context. PCA provided the following results:

Component	Eigenvalue	Difference	Proportion	Cumulative
Comp1	2.90897	1.25156	0.2909	0.2909
Comp2	1.65741	0.254459	0.1657	0.4566
Comp3	1.40295	0.542296	0.1403	0.5969
Comp4	0.860658	0.022477	0.0861	0.6830
Comp5	0.838181	0.253106	0.0838	0.7668
Comp6	0.585075	0.048449	0.0585	0.8253

Table 36: Principal component analysis Italian luxury attributes

Variable	Comp1	Comp2	Comp3
A traditional design	0.5077		
An innovative design		0.5992	
Western style	0.2661		
Peculiar and distinctive	0.3906		
Lower price with reference to other products			0.6705
Inexpensive price			0.6364
Modernity		0.6032	
High quality manufacture		0.3882	

Peculiar and traditional style	0.5523
Italian design is easily recognizable	0.3671

Table 37: Factor loadings Italian luxury attributes

Before calculation of alpha coefficient, "western style attribute" was excluded because of a factor loading under the minimum value of acceptance (set equal to 0,3).

Construct	Obs	α	Test Scale
Traditional_design	227	0.6586	
Distinctive	227	0.6873	**0.7372**
Peculiar_style	227	0.6054	
Italian_design	227	0.7353	
Innovative_design	227	0.4512	
Modernity	227	0.3702	**0.6230**
High_quality	227	0.6567	
Lower_price	227	-	
Convenient	227	-	**0.6389**

Table 38: Cronbach's alpha Italian luxury

As before three constructs were generated:

- "ITALIAN_TRAITS" – represents items representing the peculiar and distinctive traits of Italian style and design
- "INNOVATIVENESS" – comprises concepts of high quality in manufacture and modernity in style
- "CHEAPNESS" – express the attributes of low price and convenience

The table below show a summary of all the new variables createdafter the factor analysis and the related descriptive statistics.

CODE	VARIABLE	MEAN	STD DEVIATION
1	PRODUCT	4,01	0,72
2	MANUFACTURER	4,03	0,64
3	SHOWOFF	3,15	0,94
4	LUXURY_EXPERT	2,04	0,83
5	VALUE CONSCIOUSNESS	3,75	0,97
6	LIFE_SATISFACTION	3,25	0,88
7	MATERIALISTIC_LIFESTYLE	2,74	1,12
8	CHINA_LUXURY_PROPENSITY	1,92	0,85
9	EXTROVERSION	2,19	0,84
10	SUUCCESS_ACHIEVEMENT	2,82	0,97
11	ETHNOCENTRISM	2,52	1,00
12	ITA_CONVENIENCE	4,63	0,74
13	CHI_CONVENIENCE	1,97	0,78

14	MADE_IN_ITALY	3,93	0,64
15	MADE_IN_CHINA	3,93	0,64
16	MATERIALISM	2,58	0,89
17	POSITIVE_BUYING_EXPERIENCE	2,33	0,91
18	CHI_WEARABLE	2,25	0,95
19	CHI_APPEARANCE	2,58	1,09
20	ITA_WEARABLE	3,88	0,79
21	ITA_APPEARANCE	4,60	0,64
22	CHINESE_TRAITS	3,05	0,94
23	DISTINCTIVE_MODERNITY	3,64	0,82
24	LOW_PRICE	2,65	0,99
25	ITALIAN_TRAITS	3,95	0,78
26	INNOVATIVENESS	4,15	0,67
27	CHEAPNESS	2,55	1,10

Table 39: Means and standard deviation of factory analysis results

It has been also performed the pairwise calculation among all the variables described above, in order to show of correlation comparing two by two, the means of the observations.

The identification numbers displayed in the first column and first line of table 40, correspond to the "item code" showed in the table above. Whereas the red numbers mean negative correlations.

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27
1	**1.000**																										
2	0.0607	**1.000**																									
3	0.0098	0.2599	**1.000**																								
4	0.1281	0.0589	0.4657	**1.000**																							
5	0.1204	0.2215	0.1086	0.1754	**1.000**																						
6	0.0245	0.2771	0.1697	0.0923	0.1962	**1.000**																					
7	0.1583	0.1288	0.1412	0.1475	0.0591	0.2075	**1.000**																				
8	0.1192	0.1891	0.0042	0.1177	0.0239	0.0485	0.0049	**1.000**																			
9	0.0328	0.4572	0.2547	0.1085	0.1113	0.3653	0.0307	0.0612	**1.000**																		
10	0.1262	0.0207	0.0012	0.0563	0.0673	0.0288	0.0037	0.0822	0.1246	**1.000**																	
11	0.0993	0.3696	0.2071	0.1010	0.0233	0.3540	0.0493	0.0658	0.5383	0.0676	**1.000**																
12	0.0394	0.2963	0.2701	0.0686	0.1477	0.2133	0.1854	0.1348	0.3469	0.0939	0.2392	**1.000**															
13	0.1278	0.2349	0.5041	0.3302	0.0907	0.2349	0.2380	0.1328	0.2395	0.0499	0.1430	0.2006	**1.000**														
14	0.1278	0.2349	0.5041	0.3302	0.0907	0.2349	0.2380	0.1328	0.2395	0.0499	0.1430	0.2006	0.6208	**1.000**													
15	0.0313	0.5872	0.3728	0.1882	0.0552	0.4367	0.1388	0.0621	0.4829	0.0346	0.4090	0.3147	0.3661	0.3661	**1.000**												
16	0.0676	0.0574	0.0775	0.0228	0.0687	0.0585	0.0398	0.1517	0.0757	0.1094	0.0347	0.0626	0.0259	0.0259	0.0625	**1.000**											
17	0.0200	0.0027	0.1050	0.0056	0.0373	0.1653	0.0742	0.1721	0.0254	0.2072	0.0127	0.1147	0.0323	0.0323	0.0838	0.5351	**1.000**										
18	0.0291	0.0365	0.0036	0.0942	0.1056	0.0075	0.0334	0.0090	0.0243	0.0664	0.0966	0.0578	0.0029	0.0029	0.0098	0.0238	0.0078	**1.000**									
19	0.0856	0.0815	0.0285	0.0637	0.0561	0.0130	0.0701	0.0452	0.0026	0.0060	0.1160	0.0622	0.0253	0.0253	0.0128	0.0009	0.0113	0.5990	**1.000**								
20	0.0672	0.0276	0.0791	0.0080	0.0090	0.1417	0.1129	0.0774	0.0800	0.0112	0.0744	0.0242	0.0360	0.0360	0.0545	0.0968	0.0099	0.1441	0.0821	**1.000**							
21	0.0036	0.0089	0.0210	0.0429	0.1024	-0.226	0.0096	0.0417	0.0335	0.1229	0.0412	0.0013	0.0852	0.0852	0.0084	0.2261	0.2311	0.1661	0.1860	0.4642	**1.000**						
22	0.0607	0.0265	0.0024	0.0080	0.0437	0.0035	0.0334	0.0395	0.0815	0.0938	0.0284	0.0531	0.0142	0.0142	0.0016	0.0309	0.1676	0.0234	0.0588	0.1524	0.0031	**1.000**					
23	0.0806	0.0526	0.0069	0.0351	0.0580	0.1336	0.0772	0.0293	0.0359	0.0453	0.0839	0.1312	0.0147	0.0147	0.0467	0.0258	0.0955	0.3260	0.3474	0.4084	0.2595	0.0385	**1.000**				
24	0.0414	0.0003	0.0516	0.0648	0.0111	0.1178	0.1044	0.1006	0.0094	0.0637	0.0879	0.0284	0.0522	0.0522	0.0008	0.0027	0.0112	0.2561	0.2995	0.0298	0.2625	0.0274	0.2609	**1.000**			
25	0.0066	0.0032	0.0540	0.0524	0.0318	0.0665	0.0298	0.0138	0.0285	0.0447	0.0217	0.0470	0.0267	0.0267	0.0096	0.1039	0.0390	0.0222	0.0437	0.0647	0.1244	0.3628	0.0814	0.1740	**1.000**		
26	0.1567	0.0720	0.1489	0.2259	0.0297	0.0408	0.0538	0.0109	0.0454	0.0424	0.0253	0.0043	0.2725	0.2725	0.0375	0.0902	0.1406	0.0677	0.0064	0.1418	0.0518	0.0668	0.1031	0.0434	0.0031	**1.000**	
27	0.1970	0.0186	0.0877	0.0196	0.1316	0.0186	0.0613	0.0581	0.0128	0.0793	0.0161	0.0121	0.0434	0.0434	0.0083	0.0091	0.0768	0.0630	0.0737	0.0667	0.0684	0.0528	0.0216	0.0795	0.0345	0.1630	**1.000**

Table 40: Pairwise comparisons among variables of table 39

4.3 CLUSTERING

Looking at new dataset, created with factor and principal component analysis, it has been decided of using the variables obtained from luxury attributes (named "Product", "Manufacturer" and "Showoff") for clustering respondents into different segments, according to their perceptions of luxury and the meaning that they give to it; the purpose of cluster analysis in fact is finding out groups of objects which shares similar characteristics, in this specific case, it means groups of people who have the same system of values for evaluating and buying luxury goods.

The chosen variables were standardized before making cluster analysis so the all contribute equally to the distance and similarity between groups.

In this study the "K-Means" method was chosen for carrying out cluster analysis; this non-hierarchical algorithm iteratively estimates the cluster means and assigns each observation to the cluster for which its distance to the cluster mean is the smallest.

The number of clusters is must be decided a-priori, and to chose the right number the "pseudo F-statistic criteria" developed by Calinski and Harabasz (1974) was adopted; it is a measure of how the separation between clusters varies changing the initial number of clusters; so the higher the value of this statistic, the greater the distance between groups.

The stopping rule based on Calinski's index was applied to four different hierarchical agglomerative clustering methods, based on different procedures for dissimilarities calculation, with the purpose of finding out the right number of clusters, and as a consequence the value that must be assigned to "k" for initializing the k-means model.

Method	Ward's linkage	Weighted average linkage	Single linkage	Median linkage
Number of clusters	Calinski/Harabasz pseudo-F			
2	107.41	14.95	7.26	2.29
3	**91.25[1]**	49.16	**10.11**	7.10
4	90.97	35.88	8.37	6.28
5	81.23	33.27	6.32	5.70
6	74.70	43.41	5.60	6.27
7	70.55	37.84	5.37	5.50
8	67.92	40.55	5.99	23.21
9	66.29	**54.40**	5.57	**24.47**
10	67.55	49.03	5.15	21.85

Table 41: Hierarchical clustering methods - Dissimilarities calculations

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[1] Red numbers mean the maximum value of the column

Calinski's index was calculated only for the first ten combination, because given the sample dimension, 227 respondents, it is reasonable choosing a number of clusters lower than ten to achieve an acceptable size for each cluster.

The table above shows that right number of clusters should be three or nine because it counted the maximum values of Calinski's index. However, as said before, nine clusters could be not so suitable for a sample size equal to 227; on account of this the k-means model has been computed to calculate the size of cluster using a "k value" equal to nine:

Cluster	1	2	3	4	5	6	7	8	9
Size	32	18	22	29	37	13	14	45	17

Table 42: K-means Model - Clusters size for k=9

As it can be seen in the previous table, nine clusters do not provide a balanced grouping, indeed some clusters, such as cluster eight, have a number of members more than three times higher than others.

So it was supposed that the most suitable number to initialize the K-means model was three, and the results have confirmed the initial supposition.

Once the number of clusters was identified ("k" equal to three), the K-means method was applied to the standardized variables "PRODUCT", "MANUFACTURER" and "SHOWOFF", providing the following findings.

|	Obs	Mean	Std. Dev
Clusters	227	2.030837	0.7665119

Table 43: Clustering - main descriptive statistics

Clusters	Observations	PRODUCT	MANUFACTURER	SHOWOFF
1	63	0.6718266	0.8096168	-0.9874276
2	94	0.3794863	0.1367867	0.5896297
3	70	-1.11424	-0.91234	0.0968964

Table 44: Clusters mean and standard deviation

To have a better interpretation of the clusters' characteristics it has been thought to graphically represent the previous statistical results as follows.

PRODUCT

SHOWOFF   **MANUFACTURER**

●─Cluster1   ■─Cluster2   ▲─Cluster3
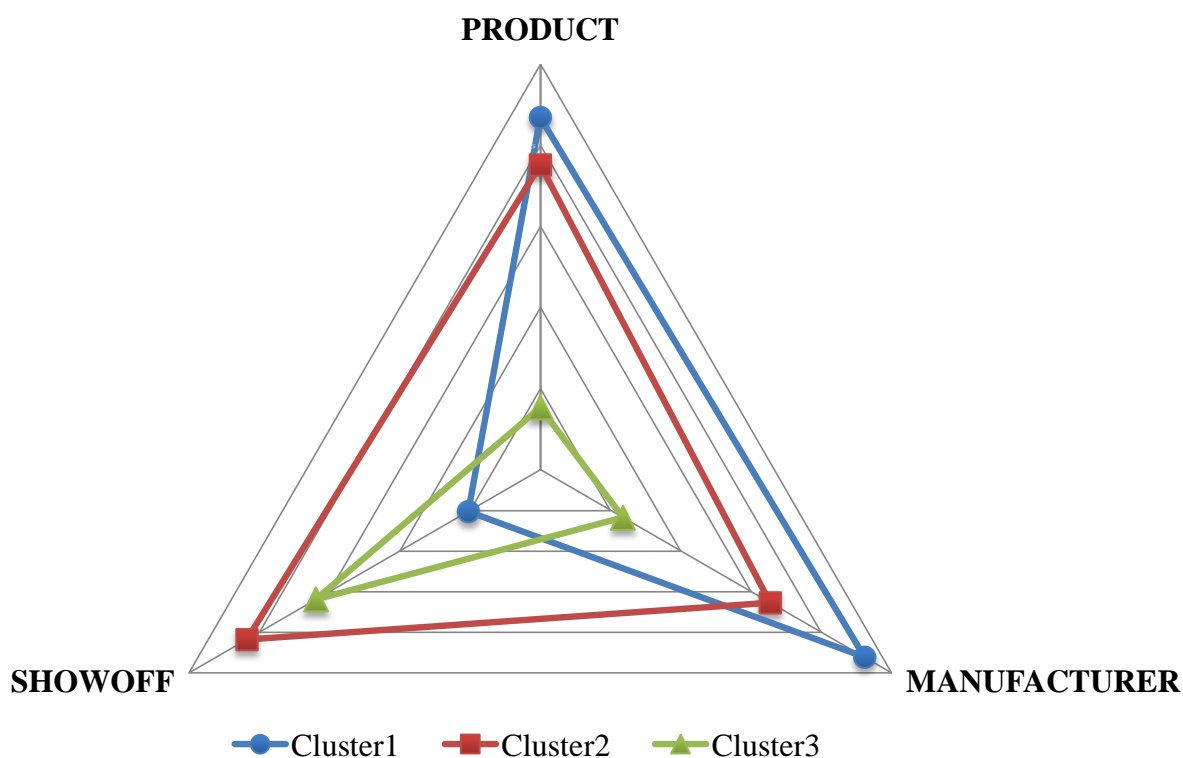
Graph 3: Radar chart – Clustering variables

In a very intuitive way, observing the spider graph below, it is possible to notice which is the most important dimension for each group, making possible a classification of consumers subgroups based on their luxury value perceptions.

For market segmentation purposes, it is useful profiling the clusters which were obtained, through a description of the characteristics of each cluster.

To explain how they might differ on relevant dimensions and provide a more exhaustive description, comparisons among clusters were conducted on different descriptive variables.

Table 45 provides a thumbnail sketch of the characteristics that differentiated each cluster from the others. It shows, for each cluster, the means values of demographic variables and also of the most relevant variables obtained from factor analysis, used in their non standardized form.

These variables were chosen because evaluated the most suitable for describing the distinctive characteristics of clusters, highlighting their main differences. The bold numbers represent the maximum mean value of all three cluster for the variable in question.

	MEANS		
	Cluster1	**Cluster2**	**Cluster3**
Age[1]	2,75[a]	**2,77**[a]	2,54[a]
Gender[2]	**1,56**[a]	1,45[a]	1,46[a]
Education level[3]	**2,75**[a]	2,54[a]	2,64[a]
Family unit[4]	3,32[b]	3,69[a]	**3,70**[a]
Family yearly Income[5]	**3,03**[a]	2,78[a]	2,71[a]
Materialism	2,54[b]	**2,78**[a]	2,34[c]
Luxury_Expert	**2,29**[a]	2,02[a]	1,84[b]
Extroversion	2,25[a]	**2,30**[a]	1,97[b]
Value_Consciousness	**4,05**[a]	3,80[a]	3,41[b]
Life_Satisfaction	**3,44**[b]	3,14[a]	3,21[b]
Materialistic_Lifestye	2,77[b]	**2,97**[a]	2,41[c]
Success_Achievement	2,81[b]	**3,11**[a]	2,45[c]
Positive_Buying_Experience	**2,62**[a]	2,39[a]	2,00[a]

Table 45: Means value of non standardized variables for each cluster

NOTES: In each line, cluster means that have the same superscript are not significantly different, that means (p < .10) on the basis of ANOVA test's results, which will be reported and widely explained in the next paragraph about "Profiling". Highest means are assigned the superscript "a," the next lower means are assigned the superscript "b," and so forth.

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[11] The response options were: 1=16-20 2=21-27 3=28-34 4=35-39 5=40-45 6=45-50 7=50 or more

[2] The response options were: 1=Male 2=Female

[3] The response options were: 1=Secondary education 2=Higher education 3=Graduate education
      4=Postgraduate education

[4] The response options were: 1=1 2=2 3=3 4=4 5=5 6=more than 5

[5] The response options were: 1=Less than 20.000 € 2=20.000 € - 35.000 € 3=35.000 € - 60.000 €
      4=60.000 € - 100.000 € 5=100.000 € - 500.000 € 6=500.000 € and more

4.3.1 Clusters description

Based on the means scores depicted in table45, and the meaning of the items from which the single variables were derived, the three clusters can be described as follows:

- ## Cluster1: "Intimistic consumers"

This cluster comprises the 27,8% of the sample and consists of 55,6% female respondents; its members are those with the smallest families smaller, but they have the highest level of family yearly income.

	Mean	Std. Dev	Min	Max
Product	0.6718266	0.6551338	-1.130139	1.374063
Manufacturer	**0.8096168**	0.5757808	-0.3625258	1.514889
Showoff	-0.9874276	0.639386	-2.279627	0.198025

Table 46: Descriptive statistics cluster1

Compared to all the clusters, members of this group showed the highest ratings for "Manufacturer" and "Product" variables, whereas the value of "Showoff" variable was negative and the lowest.

According to the meaning of the three constructs, this means that members of this cluster pay particular attention to the intrinsic and functional value of a luxury good, they are conscious of the specific features and characteristics of the product and the relative benefits which can provide, as evidenced by the "VALUE CONSCIOUSNESS" rating significantly higher than members of other clusters. In addition these consumers can usually rely on a solid background in luxury matter, in fact they showed also the highest ratings for the items "I consider myself expert on luxury" and "Actually I own many luxury products", summarized by "LUXURY EXPERT" variable. In the end this type of consumers are well informed about producer and his reputation, because they are more interested in the functional quality of the product instead of the rumors around brand name, and intimistic consumers look for luxury goods able to satisfy their personal needs and desires, instead of showing off their possessions, in order to feel gratified by their own lifestyle without the need of other people's approval, this trait is testified by the highest values of "LIFE SATISFACTION" variable and by the fact that they stated that for them buying luxury goods is a deserved activity for self-gratification (highest score for "POSITIVE BUYING EXPERIENCE").

- ## Cluster2: "Holistic Extrovert consumers"

Comprising the 41,4% of the sample, this is the largest of all the cluster. It is composed of 44,7% female respondents with the highest mean age among three clusters; its members have

family units made of three or four people on average and their yearly income intermediate between the levels of the other two clusters. This group involves respondents with the lowest education level.

	Mean	Std. Dev	Min	Max
Product	0.3794863	0.5777584	-0.5736501	1.374063
Manufacturer	0.1367867	0.714293	-1.614136	1.514889
Showoff	**0.5896297**	0.703066	-0.5098755	1.967777

Table 47: Descriptive statistics cluster2

The consumers of this typology presented the highest rating for "SHOWOFF" variable of all the clusters, but it showed rather high scores also for the other two variables "PRODUCT" and "MANUFACTURER", both higher than cluster three's scores and lower than those of cluster one. This structure of values means that these people are more likely than those of other groups to take social value aspects of luxury consumption into account, giving a lot of importance at making good impression on people around them, but at the same time, rather high values in correspondence of other two dimensions suggest that these consumer are also conscious of the real value of luxury products they purchase and well informed about producer's characteristics. They usually pay attention to which are the actual trends in society and the most appreciated luxury brands, however they are able also to evaluate the intrinsic quality of different products.

The particular attention for hedonic values and self-image communication is evidenced by the highest rating of "MATERIALISM" and "MATERIALISTIC LIFESTYLE" variables, which means that Extrovert consumers have the most positive perceptions of all materialistic items of the questionnaire, related to the showoff of personal possessions in order to communicate prestige and the role in the society, declaring the willingness to belong to specific social groups,

A further proof of this gregarious behavior, are the significant scores, compared to those recorded by other groups, given to "EXTROVERSION" and "SUCCESS_ACHIEVEMENT" variables, which express the importance to consider personal success achievement as the main goal life, and the happiness of owning those kinds of products which are on everyone's lips.

- Cluster3: "Recognition-seeker consumers"

The third cluster made up 30,8% of the sample, it is 45,7% female, and has the lowest mean age of all the clusters. A peculiar feature of these consumers, is the fact they have the largest families, but with the lowest level of income of all three groups.

	Mean	Std. Dev	Min	Max
Product	-1.11424	0.7562932	-3.077853	0.5393292
Manufacturer	-0.91234	0.9063073	-2.552843	1.514889
Showoff	**0.0968964**	0.9318832	-2.279627	1.967777

Table 48: Descriptive statistics cluster3

This cluster shows a particular structure of values, in fact it has not any mean ratings higher than those of other two groups, but it shows only one positive mean score, the "SHOWOFF" value. This means that, even if these kind of consumers consider the showoff the most important variable in their concept of luxury, as people belonging to second cluster, on the other hand, they pay very low attention to the product an manufacturer dimensions; "recognition-seekers" base their evaluation of luxury goods on the image that brands communicate, not having a solid knowledge about real quality of products and their producers, as evidence by the lowest rating for "LUXURY EXPERT" and "VALUE CNSCIOUSNESS" variables.

These consumers are more likely to appreciate aesthetic and hedonic values, buying luxury products for self gratification and gaining a sort of prestige only if it is only apparent and ephemeral, because the level of income in the majority of cases cannot allow conspicuous consumptions very often.

In other words a "recognition-seeker" consumers are satisfied of his life, intermediate score for "LIFE SATISFACTION" variable, and use luxury possessions, even if they are limited, to show it; they are more interested in self-realization and gratification owning his favourite luxury products, instead of reaching popularity being part of specific social groups, so they perceive their individual needs to be more important than the desire to make a good impression on others.

After a detailed description of the characteristics of each consumer segment, it has been decided to provide a general overview about the propensity of buying Italian an Chinese luxury goods and how it changes among different clusters.

	MEANS		
	Cluster1	Cluster2	Cluster3
Italian_Luxury_Purchase	**2,94** [a]	**2,94** [a]	2,63 [a]
Chinese_Luxury_Propensity	**2,02** [a]	1,84 [a]	1,93 [a]
Ethnocentrism	2,39 [b]	**2,69** [a]	2,41 [b]

Table 49: Non standardized clusters means of luxury buying propensity and Ethnocentrism related variables
NOTES: For the meaning of the superscripts see the notes of the table45.

The table above shows that Holistic extrovert consumers have the highest value of ethnocentrism, this means that they have the habit of more negatively evaluate foreign products than members of other groups; and as a consequence members of second cluster have the lowest willingness of buying luxury goods which present Chinese traits both related to brand or manufacture (represented by "Chinese_luxury_propensity" variable), whereas they present the highest rating for item "actually I buy Italian luxury goods" ("Italian_Luxury_Purchase in the table).

On the contrary Intimistic consumers show the lowest score for "Ethnocentrism" variable, and in fact they resulted to be the group which more likely would buy luxury goods produced in China or commercialized by Chinese brands.

In the end Recognition seeker consumers present an intermediate position according to their ethnocentric tendencies, but they show the highest score for the item "actually I buy Chinese luxury goods" of all three clusters.

4.3.2 Buying Behaviour Analysis

After a general overview of clusters' different buying behavior, it has been decided to further analyse the propensity of buying Chinese luxury goods looking at the entire sample of respondents and not at the single segments.

For doing this, a dummy binary variable called "GENERAL_PROPENSITY" was created, it is equal to "0" if the respondent has a propensity of buying Chinese luxury products lower than the mean value of the sample, and equal to "1" if the same propensity is higher.

General_propensity	Obs	Mean	Std. Dev
"0" - Low	123	0,4581	0,4993
"1" - High	104		

Table 50: Mean and standard deviation of GENERAL BUYING PROPESITY

VARIABLE	MEANS	
	Low	High
Age	**2,80**	2,56
Gender	1,48	1,48
Education level	**2,68**	2,57
Family unit	3,56	**3,63**
Family yearly Income	**2,85**	2,81
Materialism	2,55	**2,62**
Ethnocentrism	**2,62**	2,40
Positive_Buying_Experience	2,33	2,33
Success_Achievement	2,77	**2,88**
Extroversion	2,13	**2,25**
Materialistic_Lifestye	2,62	**2,89**
Life_Satisfaction	**3,32**	3,17
Value_Consciousness	**3,75**	3,74
Luxury_Expert	**2,06**	2,02

Table 51: Means value of non standardized variables for group with LOW and HIGH buying propensity

NOTES: Bold numbers means the highest mean value.

### 4.3.3 "LOW" General Propensity

Respondents who are less prone to purchase Chinese luxury products are generally elder, they have a higher level of education and smaller families compared to members of other group, but they can afford to spend more for their purchases because of higher yearly income.

As it can be logically deduced, people of the sample with a lower propensity are those ones with higher ethnocentric tendencies, how it is shown in the table above; these consumers are more satisfied of their lives and presented slightly higher rating for "Value Consciousness" and "Luxury Expert" variables, this could means that they pay particular attention to quality of products they buy considering their selves able to judge the real value of a luxury good, thank to their personal experience.

4.3.4 "HIGH" General Propensity

Respondents who are more prone to purchase Chinese luxury products, are younger than other group's members, but they have larger families with a lower level of income.

The reason for a higher propensity could be found in their preferences for hedonic and materialistic values; in fact, these consumers presented the highest scores for variables related to "Extroversion" and " Success_Achievement". They care a lot what people think of products and brands others buy, because they communicate a specific social status in their opinion. Maybe the higher interest for foreign luxury product could be a way to search for new meanings to be communicated through their possessions.
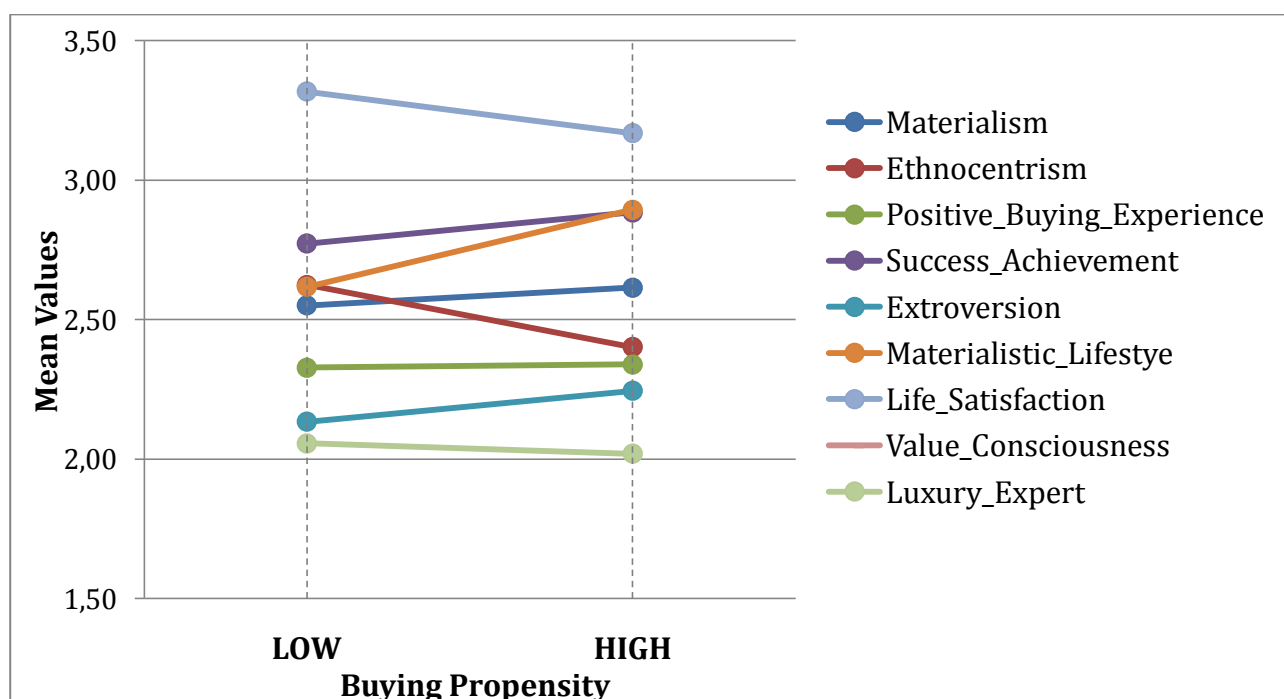
Graph 4: Means value of non standardized variables for group with LOW and HIGH buying propensity

4.4 PROFILING

After the identification of three different groups of consumers, it has been possible to classify them according to their perception about luxury and the structure of values they attach to this concept.

The three typologies of customers, as said before, were:

- *CLUSTER1 - Intimistic*
- *CLUSTER2 - Holistic extrovert*
- *CLUSTER3 - Recognition seeker*

The previous section focused on their accurate description in terms of demographic characteristics and personal traits of people who belong to them, analyzing their lifestyle, their social habits and life goals, and in the end their relationship with luxury world.

This chapter will aim at discovering the main differences among clusters according to the main dimensions of the proposed questionnaire, in order to profile luxury consumers.

For doing this, it has been decided to use "Analysis of variance" (ANOVA) as statistical tool; in fact it is one of the most used form of statistical hypothesis testing in the analysis of experimental data.

ANOVA provides a statistical test which allows to detect whether or not the means of different groups are all equal (the so called "**null hypothesis**"); a statistically significant result justifies the rejection of the null hypothesis, and it is obtained when the probability, "**p-value**" in this case, of the variable considered is lower than the **significance level**, set equal to **0,1**[1] in this research.

After have established that the means vary among clusters, it is useful to check in which way they are different; in fact when the overall test is significant, we conclude that the effect of the respective variable is significant.

However, since the analysis concerns three different clusters, it has to consider more dependent variables simultaneously, in order to understand whether only one cluster's mean is different from the others, the clusters have different means two by two, or all the clusters means are different.

This kind of analysis can be carried out using a multivariate test of variance (MANOVA), which examine the F tests for each variable to interpret the respective effect, or in other words, identifying the specific dependent variables that contributed to the significant overall effect.

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[1] More precisely during the following analysis, the significance level will be pointed out using:
'*' if p<0,1
'**' if p< 0,05
'***' if p<0,01

Before performing ANOVA, all the variables previously generated through the factor analysis were standardized.

4.4.1 ANOVA test on demographics

ANOVA test started with the analysis of demographic variables, in order to explore whether the means of different groups of consumers presented in the previous chapter, that is the three consumers segments and groups of people with high or low buying propensity, are significantly different from a statistical standpoint.

DEMOGRAPHICS	CLUSTERS		GENERAL PROPENSITY	
	F	Prob>F	F	Prob>F
Age	0,68	0,5102	2,08	0,1509
Gender	1,00	0,3707	0,00	0,9870
Education level	1,48	0,2295	1,41	0,2362
Family unit	2,58	0,0783*	0,18	0,6717
Family yearly Income	1,93	0,1473	0,08	0,7753

Table 52: ANOVA demographic variables

As it can be seen, the only significant difference regards the composition of the families. To analyse more in detail which clusters are responsible for this difference, it is necessary to apply a MANOVA test, as explained before.

FAMIL UNIT	F	Prob>F	Means
Cluster 1 - Cluster 2	295,37	0,0000	≠
Cluster 1 - Cluster 3	220,98	0,0000	≠
Cluster 2 - Cluster 3	0,00	0,9794	=

Table 53: MANOVA test – Family Unit variable

It is possible to notice that the mean of cluster number 1, the Intimistic one, is significantly different from cluster 2 and cluster 3, whereas the other two clusters, Holistic extroverts and Recognition seekers, have no different means value.

This was evidenced by the means calculation:

MEANS	Intimistic	Holisic Extrovert	Recognition-seeker
Family unit	3,32	3,69	3,70

Table 54: Clusters standardized means of family unity variable

4.4.2 ANOVA test on consumers segments

The first variables to be analysed were the Psychographic ones:

PSYCHOGRAPHICS	F	Prob>F
Luxury_Expert	5,15	0,0065***
Life_Satisfaction	2,54	0,081*
Value_Consciousness	7,87	0,0005***
Materialistic_Lifestyle	5,22	0,0061***

Table 55: ANOVA psychographic variables

All the four variables showed a significant interaction effect, suggesting to reject the null Hypothesis of similarity among means values.

It can be observed, "Life_Satisfaction" is close to the threshold value, whereas other three items are significantly lower.

As explained before, a MANOVA test was necessary to be applied to all variables which showed a significant value of *F*:

LUXURY_EXPERT	F	Prob>F	Means
Cluster 1 - Cluster 2	0,05	0,8240	=
Cluster 1 - Cluster 3	4,16	0,0425**	≠
Cluster 2 - Cluster 3	1,96	0,1631	=

Table 56: MANOVA test – Luxury_expert variable

The table above shows that intimistic and extrovert clusters has the same mean value related to "Luxury expert" variable, whereas the recognition seeker cluster has a mean value significantly different from that of the first cluster, more precisely MANOVA test reveals also that the mean of cluster number three is different from the mean calculated compounding the other two clusters, the corresponding Prob>F value was 0,0076, so it can be concluded that cluster number three has a lower mean value. This means that its consumers are lees expert on luxury matter compared to consumers of other two clusters who have the same level of knowledge instead.

LIFE_SATISFACTION	F	Prob>F	Means
Cluster 1 - Cluster 2	4,87	0,0284**	≠
Cluster 1 - Cluster 3	1,38	0,2406	=
Cluster 2 - Cluster 3	0,96	0,3278	=

Table 57: MANOVA test - Life_satisfaction variable

The variation of means value related to "life satisfaction" variable, is explained by the different means of the intimistic cluster and the holistic extrovert one.

VALUE_CONSCIOUSNESS	F	Prob>F	Means
Cluster 1 - Cluster 2	0,27	0,6058	=
Cluster 1 - Cluster 3	8,83	0,0033***	≠
Cluster 2 - Cluster 3	6,70	0,0103**	≠

Table 58: MANOVA test - Value_consciousness varible

With reference to "value consciousness" variable, the table above shows that both the first and the second cluster have the same mean value which is significantly different from the mean of cluster number three.

MATERIALISTIC_LIFESTYLE	F	Prob>F	Means
Cluster 1 - Cluster 2	4,10	0,0441**	≠
Cluster 1 - Cluster 3	6,35	0,0125**	≠
Cluster 2 - Cluster 3	10,43	0,0014***	≠

Table 59: MANOVA test - Materialistic_Lifestyle variable

Regarding "materialistic lifestyle" variable, the difference in means value depends on the fact that all the clusters present a mean two by two significantly different.

According to the considerations made before, the table below show the mean standardized values of all the psychographic variables.

MEANS	Life Satisfaction	Value Consciousness	Luxury Expert	Materialistic Lifestyle
Intimistic	0,153617	0,2566371	0,2785928	0,0202684
Holisic Extrovert	-0,1069536	0,0434072	-0,0209589	0,1836754
Recognition-seeker	0,0053682	-0,289263	-0,2225887	-0,2648914

Table 60: Clusters standardized means of psychographic variables

Down line of MANOVA results and standardized means values, it can be concluded that the holistic consumers and the extrovert ones have the same level of knowledge and experience in matter of luxury, and the same value consciousness in evaluating functional and intrinsic products features, whereas the recognition seeker consumers are less expert on luxury and present also a lower value consciousness; then, people belonging to first and third segments show to be more

satisfied about their actual lives compared to people of extrovert segment; in the end all the three clusters are different in relation to their lifestyle affinity with materialistic dimensions, holistic consumers are the most concerned about getting off their status through products they have or buy, then there are intimistic consumers and as last recognition seekers, who are the less focused on this aspect.

Then, ANOVA test was performed on variables related to social status dimension, following the same procedure.

SOCIAL STATUS	F	Prob>F
Extroversion	3,14	0,0454**
Success_achievement	10,18	0,0001***

Table 61: ANOVA Social Status related variables

The analysis reveals that both the variables concerning social status attributes, have significantly different mean values among clusters.

More in detail, MANOVA test shows that:

EXTROVERSION	F	Prob>F	Means
Cluster 1 - Cluster 2	1,84	0,1761	=
Cluster 1 - Cluster 3	4,20	0,0416**	≠
Cluster 2 - Cluster 3	5,94	0,0155**	≠

Table 62: MANOVA test – Extroversion variable

SUCCESS_ACHIEVEMENT	F	Prob>F	Means
Cluster 1 - Cluster 2	9,08	0,0029***	≠
Cluster 1 - Cluster 3	11,36	0,0009***	≠
Cluster 2 - Cluster 3	20,43	0,0000***	≠

Table 63: MANOVA test - Success_Achievement variable

The holistic and the extrovert clusters present no difference in extroversion's mean values, whereas the cluster of recognition seeker consumers reveals a mean value significantly different from the other two clusters separately.

As regards "success achievement", each cluster presents a mean significantly different from the others.

The following tables shows the standardized mean values of the two variables.

MEANS	Extroversion	Success_Achievement
Intimistic	0,0498461	-0,0130786
Holisic Extrovert	0,110329	0,2532145
Recognition-seeker	-0,1930176	-0,3282602

Table 64: Clusters standardized means of Social Status related variables

Looking at the means values it can be concluded that intimistic and extrovert clusters present the same level of extroversion, whereas the recognition seeker consumers have a lower inclination towards extrovert behaviours; while as concerns the importance given to the achievement of success as personal goal life, all the segments show different results, extrovert consumers in fact have the highest mean value, followed by intimistics and recognition seekers respectively.

The ANOVA test was performed also to test possible differences in buying motivations.

BUYING MOTIVATIONS	F	Prob>F
Superior_Quality	17,03	0,0000***
Status_Need	0,33	0,7203
Beauty	16,62	0,0000***
Enjoyability	0,90	0,4077

Table 65: ANOVA Buyng motivations

The variables presenting a probability lower than the threshold value, and as a consequence need a further MANOVA test are buying motivations related to the beauty and the quality of products

SUPERIOR_QUALITY	F	Prob>F	Means
Cluster 1 - Cluster 2	1,12	0,2909	=
Cluster 1 - Cluster 3	32,93	0,0000***	≠
Cluster 2 - Cluster 3	25,36	0,0000***	≠

Table 66: MANOVA test - Superior_Quality variable

BEAUTY	F	Prob>F	Means
Cluster 1 - Cluster 2	1,95	0,1643	=
Cluster 1 - Cluster 3	31,29	0,0000***	≠
Cluster 2 - Cluster 3	26,49	0,0000***	≠

Table 67: MANOVA test - Beauty variable

As it can been seen, the difference in means values, in both cases, can be explained by the significant different means between cluster number three and the other two clusters separately. As evidence, the standardized mean values of the single variables are reported:

MEANS	Superior_Quality	Beauty
Intimistic	0,0498461	-0,0130786
Holisic Extrovert	0,110329	0,2532145
Recognition-seeker	-0,1930176	-0,3282602

Table 68: Clusters standardized means of buying motivations variables

It is reasonable to assess that intimistic and extrovert consumers present a similar buying behaviour, in fact both of the segments assign the same importance to products quality and beauty as motivations for buying them, and this level of importance is resulted to be higher compared to that expressed by recognition seeker consumers.

In the end, the ANOVA test has been executed on other three variables considered important for the final purpose this study; they concern the propensity of purchasing Chinese luxury goods, ethnocentric tendency and materialistic behaviour.

	F	Prob>F
China_Luxury_Propensity	0,78	0,4583
Materialism	5,22	0,0061***
Ethnocentrism	2,33	0,0997*

Table 69: ANOVA China_Luxury_Propensity - Materialism - Ethnocentrism

After the rejection of the null hypothesis for "materialism" and "ethnocentrism" variables, MANOVA test was carried out, with the following results:

MATERIALISM	F	Prob>F	Means
Cluster 1 - Cluster 2	5,11	0,0248**	≠
Cluster 1 - Cluster 3	5,25	0,0229**	≠
Cluster 2 - Cluster 3	10,31	0,0015***	≠

Table 70: MANOVA test - Materialism variable

ETHNOCENTRISM	F	Prob>F	Means
Cluster 1 - Cluster 2	3,39	0,0668*	≠
Cluster 1 - Cluster 3	0,01	0,9180	=
Cluster 2 - Cluster 3	3,19	0,0754*	≠

Table 71: MANOVA test - Ethnocentrism variable

Looking at the tables above, it can be assessed that each cluster is significantly different from the others with reference to materialism's standardized mean values, whereas as regards ethnocentrism variable, the extrovert cluster shows a significantly different mean value compared to that of the other two clusters respectively.

In confirmation of these conclusions, the standardized mean values are reported below.

MEANS	Materialism	Ethnocentrism
Intimistic	-0,042615	-0,1289774
Holisic Extrovert	0,228383	0,1692339
Recognition-seeker	-0,2683323	-0,1111773

Table 72: Clusters standardized means of Materialism and Ethnocentrism

In conclusion extrovert consumers are the most materialistic, using personal possessions to communicate prestige and belonginess to specific social groups, instead intimistic and recognition seeker consumers show a level of materialism respectively lower. These finding are extremely coherent with those related to the materialistic lifestyles previously presented.

The first and the third segments showed the same level of ethnocentrism, which is lower than that of extrovert consumers.

ANOVA test was finally conducted on segments propensity to buy Chinese luxury goods. The results were a 'F' equal to 0,78 and a 'Prob>F' value equal to 0,4583. According to this it can be concluded that buying propensity is not significantly different among consumers clusters.

4.4.3 ANOVA analysis on consumers buying propensity

Also in this case the ANOVA test was run using the same groups of variables, but since the construct used for measuring the propensity of buying Chinese luxury goods, called "General_Propensty", is binary in nature, it was not necessary to perform a MANOVA test after rejection of null hypothesis of similarity between the means of the two groups; the possible differences can be verified looking at the means of the standardized variables.

PSYCHOGRAPHICS	F	Prob>F
Life_Satisfaction	2,06	0,1522
Value_Consciousness	0,00	0,9838
Luxury_Expert	0,08	0,7785
Materialistic_Lifestyle	3,47	0,0637*

Table 73: ANOVA test on buying propensity - Psychographic variables (

Referring to Psychographic variables, only "materialistic lifestyle" shows a mean value significantly different between the two groups of consumers. It is confirmed by the following table which displays the standardized means:

MEANS	Materialistic_Lifestyle
LOW_propensity	-0,101592
High_propensity	0,120152

Table 74: Standardized mean values of Materialistic_Lifestyle

As regards variables related to the expression of consumers social status, only the one concerning "extroversion" shows a probability value lower than 0,1, as displayed below.

SOCIAL STATUS	F	Prob>F
Extroversion	3,47	0,0637*
Success_achievement	0,75	0,3864

Table 75: ANOVA test on buying propensity - Social Status variables

In fact, looking at the values of the standardized means, it can be assessed that consumers with higher propensity have also a higher level of extroversion.

MEANS	Extroversion
LOW_propensity	-0,0480528
High_propensity	0,0568316

Table 76: Standardized mean values of Extroversion

ANOVA test on different buying motivations, testified that the mean values of the two groups are not significantly different from a statistical standpoint.

BUYING MOTIVATIONS	F	Prob>F
Superior_Quality	0,07	0,7975
Status_Need	0,03	0,8626
Beauty	2,18	0,1408
Enjoyability	0,3	0,5844

Table 77: ANOVA test on buying propensity - Buying motivations variables

In the end the last two variables analysed with ANOVA test, were "ethnocentrism" and "materialism", with the following results:

	F	Prob>F
Materialism	0,29	0,5878
Ethnocentrism	2,82	0,0946*

Table 78: ANOVA tets on buying prpensity - Materialism and Ethnocentrism

The table shows that the ethnocentrism is a significant variable for the two groups of customers, even if it (Prob>F) is very close to the threshold value.

However the standardized values of the means confirm the results, showing that consumers with a low propensity to buy Chinese luxury goods have a higher level of ethnocentrism.

MEANS	Ethnocentrism
LOW_propensity	0,1020508
High_propensity	-0,1206947

Table 79: Standardized mean values of Ethocentrism

In the end, ANOVA test was conduct also on different product categories, in order to investigate whether there were statistically significant typologies of products for people more prone to buy luxury Chinese goods.

The analysis' results are the following:

	F	Prob>F
Clothing	4,44	0,0363**
Perfumes	0,14	0,7114
Cosmetics	0,05	0,8227
Leather goods	6,24	0,0132**
Accessories	1,47	0,2270
Jewels	0,06	0,8024
Spirits	0,00	0,9521

Table 80: MANOVA test on buying propensity - Product categories

As it can been seen, the significant categories are clothing and leather goods markets.

More in detail, looking at the standardized values of these two variables' means, it is possible to assess that consumers with higher buying propensity tend to more favourably associate Chinese products to the categories mentioned before.

MEANS	Clothing	Leather goods
LOW_propensity	-0,1275993	-0,1507372
High_propensity	0,1509107	0,1782757

Table 81: Standardized means values of Clothng and Leather goods related variables

Taking into account that it has been already observed that there is no significant main effect, among three clusters, for the propensity of buying luxury goods with Chinese traits (*P(China_Luxury_Propensity) = 0,4583*). But for better understanding how having a different luxury sensibility could impact propensity of buying, it has been investigated the influences that different value dimensions used for clustering respondents in relation to luxury definitions, exert on high and low propensity towards Chinese luxury products, analyse both the single elements separately and all their possible combinations.

First of all, an ANOVA test was performed on buying propensity using "Manufacturer", "Product" and "Showoff" as dependent variables, in order to analyse if they are significant when are considered one by one separately.

The analysis testified that also in this case, that mean values are not significantly different between groups of consumers, as evidenced by 'Prob>F' values in the table below.

	F	Prob>F
MANUFACTURER	0,73	0,3939
PRODUCT	0,13	0,7232
SHOWOFF	0,31	0,5786

Table 82: ANOVA test on buying propensity - Clustering variables

Then for picking out the possible interactions, it was decided to apply a "**Logistic regression**", this statistical method is particular useful when the independent variable has a binary nature, as in case of "General Propensity" variable.

The main advantage of this type of analysis is the ability of considering not only the variables singularly, but also all their possible combinations.

General Propensity	Coef.	Robust Std. Err.	z	P>|z|	[95% Conf. Interval]	
Product*Manufacturer	-.1412955	.1438067	-0.98	0.326	-.4231515	.1405605
Product*Showoff	.1262835	.1610594	0.78	0.433	-.1893872	.4419542
Manufacturer*Showoff	-.2894315	.159981	-1.81	**0.070***	-.6029885	.0241255
Product	-.0183899	.1547236	-0.12	0.905	-.3216426	.2848628
Manufacturer	.094819	.1574943	0.60	0.547	-.2138641	.4035022

Showoff	-.0510664	.1582864	-0.32	0.747	-.3613021	.2591692
All_variables	-.0261856	.1561064	-0.17	0.867	-.3321486	.2797774

Table 83: Logisti Regression between Buying propensity and clustering variables

The results of logistic regression show that the only significant interaction validated by a P>|z| value lower than 0,1, is the one related to the combination of manufacturer and showoff.

This means that consumers which pay particular attention to these two variable are a lower propensity to buy Chinese luxury goods (evidenced by the negative 'z' value).

5. CONCLUSIONS

5.1 RESULTS AND DISCUSSION

In this research, the empirical analysis of data has been conducted following a clear and well-defined pattern: identify who are the Italian luxury consumers.

In fact, discovering how recognize this kind of people is a crucial point to understand which could be the potential market for Chinese luxury goods in Italy.

It was possible to accomplish this question performing an exploratory analysis of data gathered with the survey, which was built "ad hoc" for the specific purpose of this study.

The analysis made possible clustering the respondents according to the meaning they infer to luxury concept, expressed by the level of importance given to the different luxury attributes they have evaluated filling the questionnaire.

The final result was the identification of three segments:

➢ **Intimistic** consumers are those who pay particular attention to the intrinsic and functional value of a luxury good, they are conscious of the product value in terms of superior quality and relative additional benefits which it can provide. They show a solid background in luxury matter, and are well informed about luxury producers and their reputation, because they are more interested in the objective quality of the product instead of the flashiness of the brand name. These consumers like owning and buying luxury goods to satisfy their personal desires, not for showing off their possessions, they result to be gratified by their own lifestyle without the need of other people or society's approval. They show a not very ethnocentric personality, and coherently to this they resulted segment which more favourably would buy Chinese luxury products. The respondents who fall into this category are the people with the highest level of education, the highest yearly income, and they usually have not very large families.

➢ **Holistic extrovert** consumers are those who are more likely to take social value aspects of luxury consumption into account, giving a lot of importance at making good impression on people around them. They have a very materialistic and gregarious personality, using personal possessions to communicate prestige and their role in the society, declaring the willingness to belong to specific social groups. However this particular attention for hedonic values and self-image communication is not the only motivation for luxury consumption, they declare a good knowledge in matter of luxury and buying luxury they take into consideration also the intrinsic quality of the products. They show a high propensity to buy Italian luxury goods, on the contrary they are the less inclined to purchase the Chinese ones, according to this they are the consumers who showed the highest level of ethnocentrism.

The respondents of this categories are those with the lowest education level and an intermediate yearly income, this is the segment with highest mean age

➢ **Recognition seekers** consumers are those who consider the showoff the most important dimension in their vision of luxury; they pay very low attention to the product an manufacturer characteristics when evaluate a luxury good, founding their evaluation on brands flashiness, because they do not have a solid knowledge in luxury matter and experience in luxury consumption. So these consumers are more likely to appreciate aesthetic and hedonic values, buying luxury products for self-gratification and gaining a sort of prestige only if it is only apparent and ephemeral, because the level of income in the majority of cases cannot allow conspicuous consumptions very often. They are the respondents with the largest families and with the lowest level of yearly income.

It is interesting to notice that the exploration of data gathered with the survey, especially in relation to psychographic variables, confirmed important concepts well grounded in existing literature, giving evidence of a reliable correspondence between consumers profiles and psychographic characteristics of segments; to make some examples: respondents resulted to have a very materialistic personality, fell into the cluster with the highest score for "showoff" variable, respondents classified into the cluster which has "product" as key variable, registered the highest level for value consciousness and several other examples can be found in relation to the main variables which were make out of past researches.

After the consumers classification, which represents a sort snapshot of the Italian luxury market, it has been possible to conclude that in general, the propensity of the Italian market towards Chinese luxury is very low, as evidenced by statistical tests reported in this study.

So the next step has been to figure out which could be the factors that mainly influence buying propensity in each segment.

Profiling consumers according to these key factors, makes possible to understand how the demand of Chinese luxury good could be stimulated and incentivized.

Another noteworthy aspect is the result of ANOVA test which showed that from a statistical standpoint, the mean propensity to buy Chinese luxury goods is not significantly different among clusters; this means that the dotted arrows of the initial research model which link the different meanings of luxury to the perception of a product's country of origin might be statistically not supported.

But this aspect has been deeper explored analysing how the single elements, used for clustering, affect the propensity towards goods coming from China; the results revealed that the only statistically significant interaction with consumers propensity is given by the "showoff" and

"manufacturer" variables considered simultaneously as a one compound factor, their combination has a negative effect on propensity which decreases when the factor grows.

In practice, this means that consumers presenting a personal values system and a luxury perception which put in first place the reliability of the producer and the brand flashiness and ostentation, will be the less prone to purchase Chinese luxury goods.

With reference to the segmentation obtained in this research, it is possible to conclude that the "holistic extrovert" segment is the one presenting characteristics that are the closest to the previous description. The figure below reported, graphically shows this similarity.
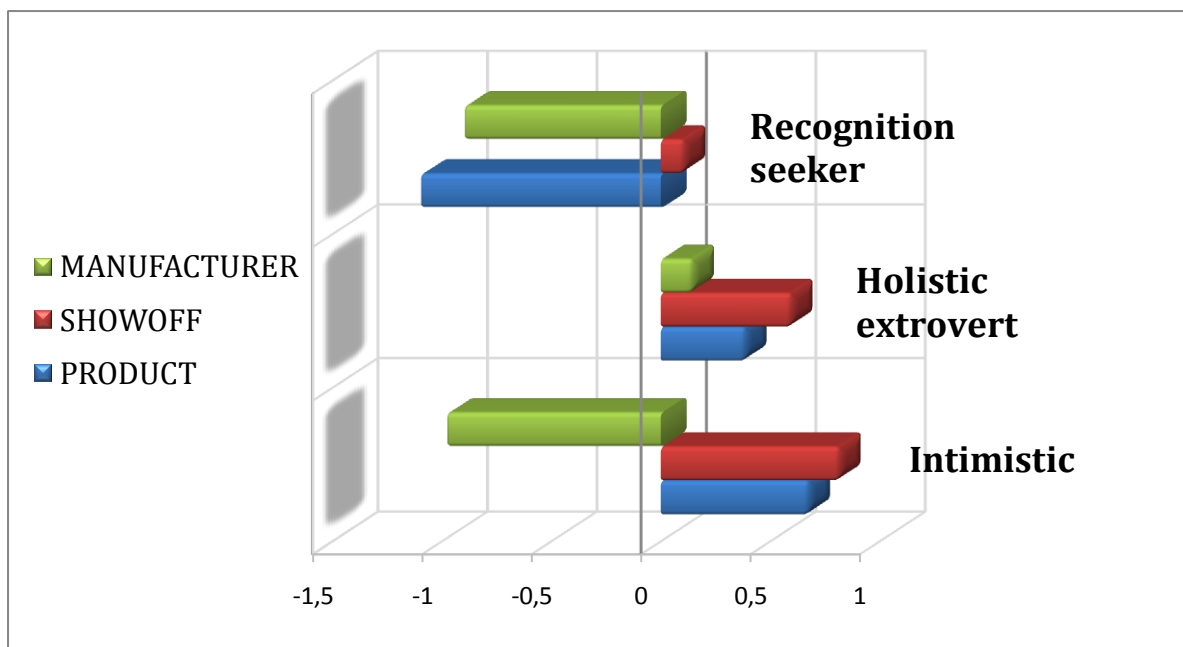
Graph 5: Bar Chart of clustering

As already said, the segment in question is the same that during the analysis showed the highest level of ethnocentrism, as further evidence that the lower propensity is confirmed also under the theoretical perspective of marketing literature.

Following the same line of reasoning, it can be assessed that on the contrary, the Intimistic segment will be the more incline towards Chinese luxury goods because it confers the lowest level of importance to "manufacturer" and "showoff" variables.

In the end, after have understood on which elements take actions for modifying buying propensity, and which typologies of consumers would be more reactive and sensitive to these actions, it has been thought to investigate the product categories which target consumers more favourably associate to Chinese goods.

In fact, since the consumers with highest propensity are hi intimistics, it is reasonable to suppose a significant relationships with specific products.

The ANOVA analysis revealed that product categories in which Chinese goods are better perceived are clothing and leather goods markets.

Important results and contributions were found also for the literature concerning "Country of Origin" (COO) studies.

In this research the key variable that acted as connection between luxury and COO was "Ethnocentrism".

The major finding in this direction, was that the segment with the highest level of ethnocentrism presented very accentuated materialistic traits, a strong inclination for social affirmation and prestige achievement and a marked extrovert personality, using luxury possessions and consumption as a mean to express these aspects of their lives; whereas the less ethnocentric consumers were the people belonging to the intimistic segment, who are more sensitive to the intrinsic values of luxury products, considering them a way for personal gratification and life satisfaction without looking for the approval of people around them.

That being so, one logical conclusion can be that within Italian luxury sector, the Country of Origin effect results to be related to personal and social aspects of consumers, such as extroversion, life satisfaction or personal success.

So in this context the COO might be a "consumer-centric" construct, which varies according to the social stratification of population.

Until now, the majority of studies of the existing literature have been focused on manufacturer and product related dimensions, instead of exploring the possible connections with the consumers characteristics.

5.2 MANAGERIAL IMPLICATIONS

From the point of view of Chinese luxury companies which aim at entering the Italian market, the research results could be interpreted as a sort of guidelines for their entry strategies:

1. The potential target consumers are the ones who fall into intimistic segment in relation to their positive propensity towards Chinese luxury and the lowest level of Ethnocentrism.

2. For positioning of the offering in the mind of consumers it would be valuable to focus more on product features and intrinsic qualities as primary lever, otherwise combining these aspects with producer reputation and reliability or brand prominence and distinctiveness, in any case avoiding to concentrate the offering on the combination of "manufacturer" and "showoff" dimensions.

3. As regards the choice of product categories, the more attractive markets would seem to be the clothing and leather goods ones, according to the structure of preferences of the consumers who have shown the highest propensity to buy Chinese luxury goods.

   It is interesting to notice that Italian clothing market is already familiar with Chinese products, the challenge for companies is being able to communicate a new luxury dimensions related to their products in order to differentiate them.

5.3 FUTURE RESEARCHES

The findings previously illustrated lay the foundations for further researches in this direction:

- Exploring new possible luxury attributes to improve the consumers segmentation
- Deepening the social dimension resulted to be related with COO construct, maybe extending the study to other countries in order to analyse also the cultural aspects of consumers
- Focusing the exploration on specific luxury categories to analyse possible differences

6. ANNEXES

Inthis section are reported the index cards related to the most relevant papers that came in useful to the author for building a solid background on which developing the entire research model.

1. *"Brand origin recognition accuracy: its antecedents and consumers' cognitive limitations"*

AUTHOR:

Saeed Samiee, Terence A. Shimp, Subhash Sharma

SOURCE:

Journal of International Business Studies – 2005

RESEARCH OBJECTIVE:

"…In contradiction to the tacit assumption in the country of origin (CO) literature, is that consumers have limited knowledge of the origins of brands, and that a brand's origin probably is not as important to consumers as the literature insinuates."

> Address a critical knowledge gap in the COO literature proposing a new construct "BORA" (Brand origin Recognition Ability).

STRUCTURE:

- *Study 1* is a national survey to explore consumers' ability to recognize brand origin to develop a measure for BORA

- *Study 2* language association instrument to determine if brand origin knowledge is surface-based information (determined by pure associations)

KEY POINTS AND FINDINGS:

- Brand origin can potentially play an important role in determining brand's image

- COO is an important determinant of consumer attitudes, purchase intentions and behaviour *(critics on experimental researches that tend to elevate CO salience compared to information processing under naturalistic circumstances)*

- Stress the point that customer must be able to recognize the origin of the products he buys because only under this circumstance it's reasonable to assess the influence of COO

- A brand's CO may be highly diagnostic information when conveys additional information about product quality and other features. Brand origin is non-diagnostic in product categories involving inexpensive, frequently purchased items

- Predictors used: socioeconomic characteristics, international experience factors, demographic variables and ethnocentric tendencies.

The research suggests that the role of COO in brand choice under natural conditions is nominal for the most part.

Dubious assumption that consumers actually know or seek the origins of brands when forming judgments and making purchase decisions. The research suggests that consumers either have limited recognition of brand origins, or find such information relatively unimportant and thus unworthy of

retention in memory. That is, the extent to which such bias will play a role in brand choice is unknown. The study points out also the fact that in global markets, brand origin is potentially the only stable information so brand image is more important than CO

Interesting point: the fact that brand origin information plays a role whether or not consumers actually know where a brand originates so consumers might react based on their incorrect perception, this explains the choice of using brand names that dissociate them from their source country suggesting one with a higher country equity.

Governments have an inherent interest in firmly establishing and maintaining a positive country equity for all brands associated with them, especially in developing countries

FUTURE RESEARCH:

- o Little is known about brand-related consumer knowledge and its influence on decision process
- o Dearth of empirical studies linking brand origin to the firms' global orientation
- o BORA as alternative research stream

2. *"Consumer Ethnocentrism: Construction and Validation of the CETSCALE"*-

AUTHOR:

Saeed Samiee, Terence A. Shimp, Subhash Sharma

SOURCE:

Journal of Marketing Research – 1987

RESEARCH OBJECTIVE:

The concept of consumer ethnocentrism is introduced and a corresponding measure, the CETSCALE, is formulated and validated. Four separate studies provide support for the CETSCALE's reliability and convergent and discriminant validity.

STRUCTURE:

- Items generation

- reliability assessment and construct validation

- Final CETSCALE 17-items

KEY POINTS AND FINDINGS:

- Having insight into customer opinion about foreign-made products
- Understand if ethnocentric tendencies are the same across all consumer or different for certain population segments (the role of the threat of foreign competition)

RESULTS:

Consumer ethnocentrism concept contributes to the growth of COO studies, CETSCALE is a useful tool a covariate in experiments that manipulate country-of-origin variables and a predictor variable in co relational studies along with consumer demo-graphic and psychographic measures and other potentially relevant predictors of attitudes, buying intentions and purchase behaviour. Using CETSCALE for regional marketing and customize communication programs, and also for store location decisions.

FUTURE RESEARCH:

The process by which consumer ethnocentric tendencies are socialized is particularly worth examining. Studies are needed to determine how socioeconomic, demographic, geographic, and regional economic factors influence early childhood socialization of consumer

ethnocentric values and what role these variables have during adulthood in accentuating ethnocentric tendencies. Further examinations of the concept of threat.

3. *"Country-of-origin effects on Product evaluations"*

AUTHOR:

Warren J. Bilked and Erik Nest

SOURCE:

Journal of International Business Studies – 1982

RESEARCH OBJECTIVE:

Reviews of the literature regarding the effect of country of origin on buyer evaluations of products. The issue is important for countries that need to increase manufactured exports and for firms that source products in countries different from where sold.

STRUCTURE:

Analysis of demand-side variables such as, the effect of country sourcing on the demand for that product for classes of products, specific brands, MDCs, LDCs.

KEY POINTS AND FINDINGS:

- MDCs: tendency for consumers to evaluate their own country's products relatively more favourably
- MDCs vs LDCs: relationship between product evaluation and degree of economic development, source country's culture, political climate and source country's belief system similarity
- LDCs: lower evaluations related to a general negative attitude toward people from these countries (relation with perceived risk)
- Demographic and personality variables are strictly related to the specific context/sector

RESULTS:

All of the studies reviewed indicate that country of origin does indeed influence buyer perceptions of the products involved. The issue of how much influence that cue provides is not yet decided.

FUTURE RESEARCH:

- Determinants of COO biases
- whether and to what extent other cues can compensate for a negative COO cue

4. *"Country of origin effects in developed and emerging markets: Exploring the contrasting roles of materialism and value consciousness"*

AUTHOR:

Piyush Sharma

SOURCE:

Journal of International Business Studies – 2011

RESEARCH OBJECTIVE:

A new conceptual framework incorporating consumer ethnocentrism (CET), materialism (MAT), and value consciousness (VC) to hypothesize several differences in the influence of COO effects on consumers from developed and emerging markets.

STRUCTURE:

A web-based study with 1752 consumers in four countries representing two developed markets and two emerging markets (China and India) shows significant differences in the moderating influence of CET, MAT, and VC on the effects of COO on the evaluations and BIs for a fictitious passenger car brand, and on the actual choice of car brands owned by them.

KEY POINTS AND FINDINGS:

- differences in COO effects between consumers in developed and emerging markets;
- the role of consumer ethnocentrism (CET) in COO effects for emerging-market consumers;
- COO effects on emerging-market consumers for products from other emerging markets;
- the impact of COO on actual purchase behaviour in both developed and emerging markets;
- the impact of materialism (MAT) and value consciousness (VC) on COO effects.

COO can be treated as an extrinsic cue (Halo or Summary effects), a symbolic and emotional meaning (association with specific status, national identity) or can have normative associations (ethnocentrism).

RESULTS:

o COO: consumers in both developed and emerging markets seem to prefer products imported from the developed markets rather than from the emerging markets, which supports the main effect of COO; the preference for products imported from developed markets is stronger for

consumers in emerging markets, whereas the negative perceptions of products imported from emerging markets are stronger for consumers in developed markets.

- CET: it seems to have a negative influence on the evaluations and purchase intentions of consumers in the developed markets only towards products imported from emerging markets, and on the evaluations and purchase intentions of consumers in the emerging markets only towards products imported from developed markets.

- MAT and VC: consumers in the emerging markets are becoming more materialistic, but many of them remain quite value conscious and price sensitive, they prefer for status goods imported from developed markets, owing to their greater perceived quality compared with their domestic products, and at the same time a higher preference for cheaper goods imported from other emerging markets. Neither MAT nor VC seems to have a significant effect on perceptions of imported products for consumers in the developed markets.

FUTURE RESEARCH:

Extend this kind of research about the differences in COO among countries with different levels of development, considering more than one product categories, then future research might explore the differences in the importance attached to various cues (including COO) as well as the socio-psychological process underlying consumer perceptions of and intentions towards products imported from developed and emerging markets.

5.*"Country Image: Halo or Summary Construct?"*

AUTHOR:

C. Min Han

SOURCE:

Journal of Marketing Research – 1989

RESEARCH OBJECTIVE:

A study designed to test two alternative views about the role of country image in product evaluation—the halo and summary construct views.

STRUCTURE:

The questionnaire is built to determine which model has better explanatory power; the hypotheses were tested using television sets and automobiles of two different brands from three different countries that have different degrees of familiarity to consumers. Country image and brand attitude are assessed with subjects' overall evaluation of products made in the country and brands from the country.

KEY POINTS AND FINDINGS:

The findings suggest in general, acceptance for the halo model for the "low-familiarity" country and acceptance of the summary construct model for the "high-familiarity" country.

RESULTS:

When consumers are not familiar with a country's products, county image may serve as a halo from which consumers infer product attributes and it may indirectly affect their brand attitude through their inferential beliefs. As consumers become familiar with the products, country image may become a construct that summarizes consumers' beliefs about product attributes and directly affects their attitude.

FUTURE RESEARCH:

It could be interesting explore how consumers form country image: what types of exposure affects consumers and how stable their country image is.

6.*"Cultural variations in country of origin effects"*

AUTHOR:

Zeynep Gurhan-Canli and Durairaj Maheswaran

SOURCE:

Journal of Marketing Research – 2000

RESEARCH OBJECTIVE:

➢ Explore whether COO vary across cultures
➢ Individualism/collectivism as framework for understanding COO effects
➢ "vertical dimension" for differences in COO effects

STRUCTURE:

The study's objective was to assess the reaction of the people come from U.S. and Japan to a new mountain bike; different group sessions with different booklets contained country of origin information (U.S. or Japan) and product description (superior or inferior quality compared to competing brands).

KEY POINTS AND FINDINGS:

• In individualists cultures more country of origin thoughts are expected when the product is superior to those of foreign competitors;
• In collectivist cultures more favourable country of origin thoughts are predicted regardless the product superiority.
• Culture influences COO effects and this research assesses that the differences are explained by the vertical dimension of the individualist and collectivist cultures

RESULTS:

Individualism/collectivism is a viable framework for exploring the process that underlie cultural differences and as consequence determines a different use of COO information.

FUTURE RESEARCH:

Further researches for other product categories and in other domains of consumer behaviour.

7. *"A Meta-Analysis of Country-Of-Origin Effects"*

AUTHOR:

Robert A. Peterson and Alain J. P. Jolibert

SOURCE:

Journal of International Business Studies – 1995

RESEARCH OBJECTIVE:

Identify a broad range of COO studies that collectively constituted a large, representative sample of methodologies and designs characterizing the COO research realm, in order to conduct a meta-analysis to quantitatively evaluate the generalizability of the COO effect across the study characteristics.

STRUCTURE:

- ➢ Examination of known COO articles/proceedings papers and their dependent/independent variables
- ➢ Use of existing empirical studies to measure the COO effect size (Omega-squared)
- ➢ Determine the relationship between certain study characteristics and the size of COO effects

KEY POINTS AND FINDINGS:

- Dependent variables investigated in COO studies have been limited to two broad categories: quality/reliability perceptions and purchase intentions
- The investigation aimed to create differential COO effects as a function of different research methodologies
- Three different criteria were used to select the study characteristics employed as independent variables (moderators of COO effects)

RESULTS:

The investigation has quantitatively documented the effect size of the COO cue in a variety of research circumstances. In so doing, demonstrating that effect sizes for quality/reliability perceptions have been consistently larger than effect sizes for purchase intentions. The findings suggest that quality/reliability perceptions and purchase intentions need to be studied separately and that COO influence is context-dependent. The authors concluded that the true conditions under which COO influence is operative have not been adequately or fully delineated since that moment.

<u>FUTURE RESEARCH:</u>

Additional empirical research that builds on the present investigation to comprehensively address both the antecedents and consequences of the COO effect under a variety of circumstances (naturalistic conditions).

8. *"Synthesizing country-of-origin research from the last decade: is the concept still salient in a era of global brands?"*

AUTHOR:

Julie M. Pharr

SOURCE:

Journal of Marketing – 2005

RESEARCH OBJECTIVE:

Narrative review of empirical studies of country of origin evaluations conducted from 1995-2005 paying attention to the structural changes occurred in international markets; the final aim is obtaining from this a holistic model of COO.

STRUCTURE:

Methodology for conducting a literature review:

➢ System for selecting the articles

➢ Gather information about the evolvement of the overall COO paradigm (antecedents and moderators)

Model development and conclusions.

KEY POINTS AND FINDINGS:

- The antecedents are the determinants of a construct, they can be endogenous that are measurable traits within consumers (values or psychographic dimensions), or exogenous that are structural dimensions of the target country.

- Moderators are those factors that in the real-world buying situations lessen COO's impact on product evaluation, brand name and price are the most popular moderators in literature and specific brand-related constructs are rising always more importance. There are also intrinsic and individual moderators such as 'product type' (luxury goods), product familiarity and consumers' involvement.

- The studies negate the idea of a generalizable COO effect (product-related)

- Several researches have confirmed that consumers' real knowledge of products' brand origin under natural conditions is often low and non-diagnostic

Consider changes in the conceptualization of the COO construct during the globalization analysing the different dimensions of the COO and their different effects

RESULTS:

In an increasingly global production environment COO is a more complex issue than in the past, it is subject to a number of culturally-derive antecedents and is moderated by both product-based and individual consumer factors. A product's country of origin evaluations may be subsumed or neutralized by its brand identity.

FUTURE RESEARCH:

- continue research about COO's antecedents

- more studies about the salience of the different brand-related constructs

- quantify the power of the different COO's dimensions for different contexts

    - research about COO in the world of services.

9. *"Gains and Losses from the misperception of Brand origin: the role of brand strength and country of origin image"*

AUTHOR:

G. Balabanis and A. Diamantopoulos

SOURCE:

Journal of International Marketing – 2011

RESEARCH OBJECTIVE:

Investigate empirically the potential consequences of brand origin misclassification and consumers' inability to classify a brand to a COO on brand evaluations and purchase intentions.

STRUCTURE:

The framework used is that of "combined effect sizes" (Gleser and Olkin) with a "drop and collect" method for data collection (questionnaire to a random sample of households in U.K. about the categorization of 12 brands of microwave ovens to one of eight COOs).

KEY POINTS AND FINDINGS:

- Consumers make inferences about a brand's attributes from their knowledge of the brand's origin; so COO can serve either as a stereotype measure or as a proxy for the product attributes.
- Mechanisms through which the information processing of COO can influence customer evaluations are classified into cognitive, affective and normative processes.
- The four types of cogniefault heuristic effect and Product attribute effect.
- Consumers perceptions about the origin of a brand might differ from reality because of ignorance, lack of salience of origin information, or deliberate obfuscation by companies concerned about consumer reactions to unfavourable origin.

RESULTS:

The perceived origin of a brand, not the real one, has a diagnostic value for consumers, so Country of Association (COA) would be more appropriate than focusing on an increasingly irrelevant country of manufacture. On average strong brands are less likely to be misclassified than weak brands, but misclassification to weak COOs is particularly damaging for strong brands, in terms of negative behavioural consequences of the customers. On the contrary, favourable misclassification

does not result in actual gains in brand perceptions; finally nonclassification should be seen as a threat to branding.

FUTURE RESEARCH:

- Investigate the insensitivity of consumers to favourable COO misclassification;
- Misclassification in different contexts, countries and considering different variables;
- analyse what happens to brand image perceptions if consumer is alerted to the fact that he has misclassified the COO.

10."The impact of country of design and country of manufacture on consumer perceptions of bi-national products' quality: an empirical model based on the concept of fit"

AUTHOR:

Leila Hamzaoui and Dwight Merunka

SOURCE:

Journal of Consumer Marketing- 2006

RESEARCH OBJECTIVE:

Provide a better understanding of how consumers use information related to COD and COM to evaluate bi-national products. Determine to what extent bi-national products are associated with countries, overall country images, or specific competencies related to these countries and then evaluate the impact of these constructs on consumer behaviour.

STRUCTURE:

➢ Development of a model based on categorization theory, to test that the perceived fit between a country and a product category can influence perceptions of product quality.

➢ Perceptual and operational distinction between COD and COM and a model of their influences on consumers evaluations related to two specific product categories.

KEY POINTS AND FINDINGS:

• Many countries are favourably associated with specific product categories or for their capacity to imply positively evaluated product characteristics.

• Bi-national products raise a particular problem because, associated as they are with both a COD (e.g. through the brand name) and a COM (through the "made in" attribution), they may be subject to multiple and sometimes contradictory associations.

• Country image influences existing product evaluations, but also can be transferred to new products associated with the same country.

RESULTS:

FUTURE RESEARCH:

11. *"Signaling Status with Luxury Goods: The Role of Brand Prominence"*

AUTHOR:

Young Jee Han, Joseph C. Nunes and Xavier Drèze

SOURCE:

Journal of Marketing – 2010

RESEARCH OBJECTIVE:

Demonstrate how different group of costumers (according to their wealth and need for status) have a set of preference for conspicuously or inconspicuously branded luxury goods that are related to their desire to associate or dissociate with members of their own or other groups.

STRUCTURE:

o A preliminary taxonomy that assign consumers to four different groups according to their financial means and their preference for "loud" or "quiet" goods (*patricians, parvenus, poseurs, proletarians*).

Four studies:

o Study 1: relationship between brand prominence and price

o Study 2: brand prominence in counterfeit goods

o Study 3: ability to recognise subtle brand cues

o Study 4: relationship between social motives and brand prominence

o

KEY POINTS AND FINDINGS:

- "Brand prominence" understood as the conspicuousness of a brand's mark or logo on a product (quite or loud goods).

- "conspicuous consumption": the exhibition of wealth is what confers status to people (Veblen – 1899). People make inferences about others on the basis of their possessions.

- Wealthy consumers low in need for status pay a premium for quiet only they can recognize.

- Consumers high in need for status use loud luxury goods.

- Consumers high in need for status but with limited financial means use counterfeit luxury goods to emulate those they recognize to be wealthy.

Counterfeits allow consumers to unbundle the status and the quality attributes of luxury goods, by paying less to acquire status while not having to pay for the quality.

RESULTS:

1. The results support the idea that there is a class of consumer that is willing to pay a premium for luxury goods that display the brand name less conspicuously. The companies seem to apply the policy of lowering price while making the brand name more prominent regardless of gender and whether the product are more faddish or durable.

2. Counterfeit handbags tend to be copies of lower-priced, louder items in a luxury brand's product portfolio. Price is not the decision variable for counterfeiters when deciding which styles to copy, the louder an original handbag, the more likely it is to be knocked off.

3. Patricians do not require prominent brand markings to judge the value of a luxury product, the study showed that they recognize luxury bags from the subtle design features of each of the manufacturers and accurately judge their relative price, recognizing also that loud bags are less expensive than the quiet ones.

According to their social motives (associative and dissociative) patricians are the least likely to buy a loud bag, proletarians are indifferent and the other two groups show to prefer a loud bag. In the end poseurs are more likely to buy counterfeits than parvenus.

FUTURE RESEARCH:

Explore cultural differences involving false signalling using counterfeit luxury goods.

Instead of basing the research on what firms offer in their product lines, it could be tracked what they sell in order to investigate emotional reasons consumers buy particular styles or designs.

12. *"Luxury brand and country of origin effect : results of an international empirical study"*

AUTHOR:

Aiello Gaetano, Donvito Raffaele, Godey Bruno, Pederzoli Daniele, Hennigs Nadine and Wiedmann Klaus-Peter.

SOURCE:

Journal of Marketing – 2010

RESEARCH OBJECTIVE:

Outline the effects of the COO, the brand and their interaction on consumer behaviour.

STRUCTURE:

A statistically no representative sample of European management students have benne divided into three geographic units and interviewed with a semi-structured questionnaire.

KEY POINTS AND FINDINGS:

- Cross-cultural perceptions on the COO and brand concepts
- Cross-cultural perceptions on country image of a set of Italy, France, Germany, China, USA and Japan.
- Possible influences of brand and COO in purchasing intentions and perceptions regarding convenience, shopping and luxury goods.
- Effects of Brand and COO interaction on consumer behaviour.

RESULTS:

➢ Coo is associated by the majority of respondents to a construct determined jointly by the COD and COM.

➢ Every nation is qualified by one or two factors most important for the respondents and the images that emerge are closely linked to the traditional stereotypes.

➢ Brand is unanimously considered a sign of identification and a set of cognitive and perceptive associations but is not fully perceived as a basis of trust (very different cross-cultural perceptions).

➢ Brand and COO have a higher impact on purchase evaluation of luxury goods, but decrease their impact on purchasing dimension.

➢ The item that affects most the product evaluation and purchase decision is design for luxury goods.

➢ There is perceptual consonance an d coherence between the image of the country of production and the brand.

FUTURE RESEARCH:

Explore COO and brand perception in other countries, test other methodological tools (both qualitative and quantitative).

13. *"Brand and country-of-origin effect on consumers' decision to purchase luxury products"*

AUTHOR:

Godey B, et al

SOURCE:

Journal of Business Research – 2011

RESEARCH OBJECTIVE:

Updating the factors that influence consumer purchase of luxury goods to consider the combined effect of brand and country of origin (CoO) on the purchasing decision.

STRUCTURE:

o Exploratory phase based on the qualitative data already gathered on this topic

o Online questionnaire (sample of 1102 respondents) in seven countries (intercultural analysis) that allows to confirm and generalize the results obtained in the previous phase

KEY POINTS AND FINDINGS:

- Consumers build a favourable social image through their purchases.

- Social Salience: brands are the visible symbols of consumer tastes.

- Social identification: brands arte icons representing certain social groups that help consumers to strengthen their membership of these groups.

- In luxury sector brand is a central driver of the consumer's decision, but companies also link brand to COO to develop their international marketing strategies.

RESULTS:

➢ Brand, CoD, design and CoO seem to be the elements of choice that better characterize the world of luxury goods compared to that of non-luxury goods.

➢ On average across all countries, the most valued criteria in the decision to purchase luxury products are design, brand and guarantee; CoO has not universal value but it presents the largest differences between countries.

➢ It's not easy to find differences between homogeneous groups of countries according to their level of maturity in the market.

The study highlights that, in the specific case of luxury goods, the impact of CoO is weaker than that of brand.

<u>FUTURE RESEARCH:</u>

Comparison between the perceptions and purchasing decisions of consumers in each country during the introduction of luxury brands.

14. *"Impact of interpersonal influences, brand origin and brand image on luxury purchase intentions: Measuring interfunctional interactions and a cross-national comparison"*

AUTHOR:

Paurav Shukla

SOURCE:

Journal of World business – 2011

RESEARCH OBJECTIVE:

o Examine the impact of interpersonal influences (both normative and informational) and brand related cues (brand origin and brand image) on luxury purchase intentions.

o Analyze similarity and differences in consumer preferences between a mature, individualist and developed market and a rapidly developing, collectivist and emerging market.

STRUCTURE:

From the literature review six hypothesis are formed and then tested with structured questionnaires (two samples in UK and India); after the measurement of their validity and reliability the variables are assessed to have a direct or moderated relationships with luxury purchase intentions.

KEY POINTS AND FINDINGS:

• Luxury is a slippery term to define because of the strong involvement of the human element; luxury goods enable consumers to satisfy their socio-psychological needs and gain social advantage by following the desired group's consumption pattern.

• "Normative interpersonal influences" are defined as the tendency to conform to the expectations of others; consumers' consumption experiences are strongly influenced and shaped by their social environment and interpersonal interactions.

• "Informational interpersonal influences" are defined as the tendency to accept information from others as evidence of reality, they affect product evaluations, brand selections and final purchase decisions.

RESULTS:

➢ A collectivist psyche makes the consumers more susceptible to normative and informational influences.

➢ There is non-significant relationship between informational interpersonal influences and individualist consumers, they do not rely on or accept information from others.

➢ Consumers in individualist developed markets rely more on brand origin cues, they have been exposed to process of globalization for a longer period than consumers of collectivist developing markets.

➢ Brand image moderates the relationship between normative interpersonal influences and luxury purchase intentions.

FUTURE RESEARCH:

➢ Additional research on luxury consumption in a cross-national context (national distinctions or similarities) and examine the impact of socio-demographic variables as moderators of luxury consumption behaviour.

15. *"The Market for Luxury Goods: Income versus Culture"*

AUTHOR:

Bernard Dubois, Patrick Duquesne

SOURCE:

European Journal of Marketing– 1993

RESEARCH OBJECTIVE:

Compare the predictive power of income versus culture in the context of the market of luxury goods

STRUCTURE:

A questionnaire has been carried out in the five major European luxury markets: Great Britain, France, West Germany and Spain. ACE methodology was used to assess the cultural profile of the respondents;

KEY POINTS AND FINDINGS:

- Luxury goods are expensive and one can consider them "trivial" products, without any clear functional advantage, as a result, it's commonly believed that clientele comes primary from upper income classes. So the income seems the best indicator of measuring demand.

- In addition to the income-based approach, it should be taken in consideration that consumers use prices as a means of ostentatiously displaying their wealth.

- The purchase of luxury goods does not obey economic factors only; symbolic and social values attached to the consumption of this kind of products reveals a significant impact of the culture.

- From a "hedonic perspective" expresses the desire of consumers to extend their own personality through their possessions.

RESULTS:

➢ The study reveals the strong dependence between income and culture; it shows that it's impossible to predict the cultural profile from the income position and vice versa.

➢ Income induces people to acquire luxury goods, but culture plays almost an equivalent role.

➢ In the end the market of luxury goods may appear divided in two segments: one of authenticity and the quest for absolute quality, where brands are act as standards of excellence; the other of models and social codes in which the brands represent symbols. Maximum penetration of luxury is obtained when income and culture converge their effects.

➢ The brand should draws its fascination for one group from the legimacy given by the other.

- FUTURE RESEARCH:
- MANCANTE

16. *"Co-creating value for luxury brands"*

AUTHOR:

Caroline Tynan, Sally McKechnie, Celine Chhuon

SOURCE:

Journal of Business Research – 2010

RESEARCH OBJECTIVE:

Explore conceptually the meaning of value for luxury brands, and empirically investigate how firms and consumers co-create value in the luxury market.

STRUCTURE:

A multiple case study approach focused on three luxury brands, collecting data on field over a fifteen-month periods using several methods. Netnography was used to investigate the number of sources referred to each brand.

KEY POINTS AND FINDINGS:

- A brand is a tangible or intangible concept that uniquely identifies an offering, providing symbolic communication of functionality and differentiation, and in doing so sustainably influences the value offered.

- The purchase of luxury goods does not obey economic factors only; symbolic and social values attached to the consumption of this kind of products reveals a significant impact of the culture.

- Researchers have yet to address the meaning of value and the value creation process for luxury brands. Understanding the nature of value for luxury goods requires consideration of what constitutes a luxury brand.

- Defining luxury goods or brands is difficult, luxury goods exist at one end of a continuum with ordinary goods, so where the ordinary ends and luxury starts is a matter of degree as judged by consumers, which is set in the context of what society considers necessary, is thus a relative term.

- The key identifiers of luxury brands adopted in this study are high quality, expensive and non-essential products and services that appear to be rare, exclusive, prestigious, and authentic and offer high levels of symbolic and emotional/hedonic values through customer experiences.

RESULTS:

➢ The traditional marketing literature, plus that in this setting, takes a managerial perspective and neglects to take into account the consumer perspective. Examining this marketplace as a social construction offers deeper insights into the nature and sources of value both in exchange and use.

➢ While a high standard of utilitarian value is assumed as essential for all luxury goods and cost/sacrifice based value appears to be irrelevant to customers; the symbolic/expressive, experiential/hedonic and relational types of value are the ones which enable differentiation between various luxury brands.

➢ Interactions with high status individuals have become a crucial differentiator and source of value for each of the case brands.

➢ The netnography revealed that the brandscapes are rich and varied involving partners whom the brand sponsors but also those who are completely independent of the brand.

➢ The findings of this research are limited to three case studies in one country, so they may not be generizable.

FUTURE RESEARCH:

The global nature of this marketplace and the increasing importance of luxury goods in China, India and Russia suggest that further research in other countries, particularly in collectivist cultures, is needed as is work on the issue of the disposal of luxury brands.

17"Consumer Segments Based on Attitudes Toward Luxury: Empirical Evidence from Twenty Countries"

AUTHOR:

Bernard Dubois, Sandor Czellar, Gilles Lauren

SOURCE:

Marketing Letters – 2005

RESEARCH OBJECTIVE:

The paper is an international segmentation of consumers based on their attitudes toward luxury.

STRUCTURE:

A two-stage empirical study with a data set that combines samples from 20 countries has been performed:

- first in-depth interviews were conducted in the form of an interpretive analysis of consumer experiences with luxury. The approach was discovery oriented, with the aim of developing a corpus of attitudinal items for latent-class segmentation;

- on the basis of the exploratory study, it has been developed a French questionnaire with Likert items that

use a five-point scale (strongly disagree to strongly agree) by editing characteristic informant comments from the interviews.

KEY POINTS AND FINDINGS:

- The exploratory study shows that many facets of a person's attitude toward luxury are important, the researchers tried to preserve attitudinal complexity rather than reduce it. The purpose was not to establish a reliable and valid scale following the dominant domain sampling paradigm but rather to build a corpus of items that reflected the themes elicited during the qualitative phase

- There is no reason to believe that the items developed are universal, their conceptual equivalence across strongly divergent cultures may be low (individualist vs collectivist cultures).

- To perform a segmentation based on responses to the scale, a mixture clustering model has been used; this method simultaneously identifies the probability distribution of the answers for each group and the frequency of each group in the sample. The choice for a mixture model was based on the fact that the number of segments was a priori unknown.

RESULTS:

From the data analysis three latent consumer segments were found. **Elitist** segment includes consumers having a traditional vision of luxury as appropriate for a small elite and reserved for "refined" people because, according to their responses, some education is needed to fully appreciate these goods and services. Luxury implies "good taste" and enables its users to differentiate themselves from others. **Democratic** segment is made up by consumers with an open mind attitude towards luxury, in their opinion a special education for appreciating it is not needed, luxury is good, and there is no reason why access to it should not be widely accessible. In the end, there are the "**Distant**" consumers which are not very attracted by luxury personally. They therefore are more likely to regard it as useless and too expensive, then in terms of behaviour, they are more likely not to buy luxury goods and to believe that a "fine replica" is as good as an original item.

FUTURE RESEARCH:

The study only considers the effect of national culture, but it would be extremely interesting to collect detailed data about not only sociocultural variables (e.g., religion, social class, education, income) but also psychological variables (e.g., social compliance, desirability, self-monitoring), which may play a role in consumer attitudes toward luxury. It could be interesting to develop the attitudinal constructs of this article in different cultural settings (emic–etic dilemma).

18. "*Measuring Consumers' Luxury Value Perception: A Cross-Cultural Framework*"

AUTHOR:

Klaus-Peter Wiedmann, Nadine Hennigs, Astrid Siebels

SOURCE:

Academy of Marketing Science Review – 2007

RESEARCH OBJECTIVE:

Identify and conceptualize the primary dimensions which influence the consumers' individual perception of luxury as a first step leading towards a scale to measure luxury value cross-culturally. Multi-dimensional conceptualization, which encompasses financial, functional, individual, and social value components, may serve as a basis for further research in identifying and segmenting different types of luxury consumers that cross national borders.

STRUCTURE:

Extending the Vigneron and Johnson framework, four latent luxury value dimensions were defined: financial, functional, individual and social. Based on theoretical and empirical research several influencing variables and drivers were selected with regards to possible links to the four dimensions of the model (i.e. they stand for the antecedent constructs). Once having identified how the relative importance of the different dimensions and drivers of behavioural patterns may vary across countries, it's possible to proceed with segmentation analysis in order to find out recurrent patterns and "global" segment.

KEY POINTS AND FINDINGS:

- In a global context, the luxury market has transformed its traditional conspicuous consumption model, it's changing how consumers define "luxury"

- Luxury is a subjective and multi-dimensional construct, it is expected that different sets of consumers would have different perceptions of luxury value and this may be dependent on the cultural context

- Even if the world of luxury products is not homogeneous, some underlying consumers desires and motives can transcend national boundaries in a structure that derives from individual's situation and specific luxury vale dimension

RESULTS:

- The multidimensional model proposed could allow to identify potential cross-national segments highlighting the key luxury values that managers should establish and monitor for creating a lasting luxury brand.

- Clustering groups according to their primary perceived values of luxury for a brand may reveal other demographic or psychographic characteristics which may better represent these consumers. The proposed factor structure for the concept of luxury value provides a basis for developing several profiles of consumers and may indicate distinct market segments to which different sets of luxury products appeal or advertising strategies could be implemented.

FUTURE RESEARCH:

Analyse different cultural clusters to find out possible similar luxury perception and consumption patterns. Find out possible moderators which might increase or decrease cross-cultural adjustments ("country of origin" effect should be taken seriously)

19. *"Value-Based Segmentation of Luxury Consumption Behaviour"*

AUTHOR:

Klaus-Peter Wiedmann, Nadine Hennigs, Astrid Siebels

SOURCE:

Psychology and Marketing – 2009

RESEARCH OBJECTIVE:

Explore a multidimensional framework of luxury value as a general basis for identifying **value-based consumer segments**. The empirical results can be seen as a first step toward a better understanding of consumers' luxury value perceptions as based on social, individual, functional, and financial aspects.

STRUCTURE:

The conceptual framework is the same of the previous paper published in 2007, that is based on the Vigneron and Johnson framework four latent luxury value dimensions: financial, functional, individual and social; also the antecedent constructs are the same so they are already existed and tested measures. According to these variables, a list of items were generated through an explorative analysis and then ranked using a questionnaire based on a 5-points Likert scale. Data collected were analyzed by a factor analysis that produced a ten factors structure. To identify different groups of luxury consumers, the factor scores for each respondent were used for clustering them into market segments.

KEY POINTS AND FINDINGS:

- The results point out that the perceived luxury value variables appeared to make considerable contributions in characterizing clusters:

    o   The materialists: for them the hedonic value of luxury is important, they wish to have a lot of luxury in their lives and think that their lives would be better if they owned certain things they don't have.

    o   The rational functionalists: they do not seem to be greatly excited about the emotional dimensions of luxury consumption, they have superior quality standards and differentiate themselves from others with the purchase of exclusive luxury products. Like cluster 1, they perceive their individual needs to be more important than the desire to make a good impression on others.

o   <u>The extravagant prestige-seekers</u>: they place much emphasis on prestige over quality assurance and state that they buy a certain luxury brand mainly for impressing others rather than just for themselves.

o   <u>The introvert hedonists</u>: they perceive hedonic value aspects of self-directed pleasure and life enrichment to be most important for their perception of luxury value. In their opinion, luxury brands are sources of pleasure; such consumption enhances their quality of life.

<u>RESULTS:</u>

- Knowledge of all relevant aspects of consumer perceptions of luxury and more robust measures of luxury value in different market segments are, of course, key to managerial practice. Based on a deeper understanding of why different consumer segments buy luxury brands, marketing managers may elicit more sales from their target consumers by adequately addressing their perceptions of and attitudes toward those products.

- Luxury brands have to encompass consumer values if their purchase is to be justified. Because the luxury market is not homogeneous, product category and situational characteristics play an important role. From a consumer perspective, each product can provide a certain set of values and may be more appropriate in certain situations than in others.

<u>FUTURE RESEARCH:</u>

To identify luxury consumer segments on a global level, the next research step is a cross-cultural study to identify discriminating drivers of different consumer segments in collaboration with American, European, and Asian researchers. Even if the overall luxury value level of a certain product or brand may be perceived equally across national borders, a differentiated measurement may reveal that the overall luxury value perception is a combination of different evaluations with regard to the sub dimensions. More specifically, consumers in different parts of the world buy, or wish to buy, luxury products for apparently varied reasons, however, they possess similar values and, regardless of their country of origin, their basic motivational drivers are expected to be the same.

20. *"Luxury consumption factors"*

AUTHOR:

Melika Husic and Muris Cicic

SOURCE:

Journal of fashion marketing and management – 2009

RESEARCH OBJECTIVE:

The purpose of the paper is to analyse the luxury market and determine the factors that determine luxury consumption. Luxury consumption has been neglected, and yet many questions arise concerning the underlying dimensions of luxury shopping.

STRUCTURE:

Two scales were used: questions concerning luxury consumption were used in order to determine the sample of luxury consumers, and a PRECON scale was used to measure individual differences in consumers' prestige shopping preferences. After the scale validation process, factor analysis was conducted, along with regression analysis of all PRECON factors.

KEY POINTS AND FINDINGS:

The paper use the luxury value classification of Vigneron and Johnson (1999):

o   The Veblen effect – perceived conspicuous value. Veblenian consumers attach greater importance to price as an indicator of prestige, because their primary objective is to impress others.

o   The snob effect – perceived unique value. Snob consumers perceive price as an indicator of exclusivity, and avoid using popular brands to experiment with inner-directed consumption

o   The bandwagon effect – perceived social value. Relative to snob consumers, bandwagon consumers attach less importance to price as an indicator of prestige, but will place greater emphasis on the effect they make on others while consuming prestige brands.

o   The hedonic effect – perceived emotional value. Hedonist consumers are more interested in their own thoughts and feelings, and thus will place less emphasis on price as an indicator of prestige.

o   The perfectionism effect – perceived quality value. Perfectionist consumers rely on their own perception of the product's quality, and may use price as further evidence of quality.

The factors that influence luxury consumption are grouped according to the framework defined by Deeter-Schmelz et al. (2000):

- image;
- quality;
- fashion;

- store atmosphere;
- patron status.

RESULTS:

The results show that in this market consumers perceive quality as a brand determinant. Further, strong patron status suggests a "snob effect" among respondents, who buy exclusive items in an attempt to distinguish themselves. Hence, rare products indicate respect and prestige among the respondents. Furthermore, this paper defines two sub-categories, namely "old aristocracy" and "new money", with the latter more ascendant in the case of a developing market. It also showed that luxury consumers behave similarly worldwide, regardless of economic or social surroundings.

FUTURE RESEARCH:

Luxury consumption should be put in the context of psychological determinants, and perhaps tested according to lifestyle.

7. APPENDIX I

EXPLORATORY SURVEY

In this section it can be found the web based questionnaire fulfilled by respondents, using for gathering the data analysed and presented in the present research study.

It was fully in Italan.

1.Il suo profilo

Nelle prossime domande le sarà chiesto di indicare alcuni suoi dati personali, le ricordo che i dati verranno utilizzati per pure **finalità statistiche**.

1. La sua età:

☐ 16-20   ☐ 21-27   ☐ 28-34   ☐ 35-39   ☐ 40-45   ☐ 45-50   ☐ 50 o più

2. Sesso:

☐ M

☐ F

3. Il suo livello d'istruzione:

☐ Licenza media   ☐ Diploma superiore   ☐ Laurea   ☐ Master/Dottorato

4. Da quanti membri è composto il suo nucleo familiare?

☐ 1   ☐ 2   ☐ 3   ☐ 4   ☐ 5   ☐ più di 5

5. Qual è il reddito medio annuo del suo nucleo familiare?
(indicare approssimativamente il reddito annuo netto)

☐ Meno di 20.000 €   ☐ da 20.000 € a 35.000 €   ☐ da 35.000 € a 60.000 €   ☐ da 60.000 € a 100.000 €   ☐ da 100.000 € a 500.000 €   ☐ Oltre 500.000 €

6. Quanto si trova d'accordo con le seguenti affermazioni?
(Esprima un giudizio attraverso una scala da 1 a 5)

	1=Per nulla d'accordo	2	3	4	5=Completamente d'accordo
Mi considero un esperto in materia di lusso	○	○	○	○	○
Possiedo molti prodotti di lusso attualmente	○	○	○	○	○
Prima di acquistare articoli di lusso, valuto attentamente le caratterisctiche del prodotto	○	○	○	○	○
Acquisto solo prodotti di lusso di marchi di cui ho una buona conoscenza	○	○	○	○	○
Sono molto soddisfatto di come vanno le cose nella mia vita	○	○	○	○	○
Sarei felice di trascorrere il resto della mia vita in Italia	○	○	○	○	○
Vorrei poter cambiare il mio attuale stile di vita per fare qualcosa di diverso	○	○	○	○	○
Mi piace che i prodotti che acquisto comunichino il mio "status"	○	○	○	○	○
Mi piace molto che le persone apprezzino i prodotti che acquisto	○	○	○	○	○

7. Quanto frequentemente acquista prodotti di lusso?

○ Mai   ○ Raramente   ○ Qualche volta   ○ Spesso   ○ Molto spesso

1. Indichi la sua propensione alle seguenti azioni attraverso una scala da 1 a 5:

	1=Assolutamente no	2	3	4	5=Assolutamente sì
Attualmente acquisto prodotti di lusso italiani	○	○	○	○	○
Attualmente acquisto prodotti di lusso cinesi	○	○	○	○	○
Acquisterei volentieri prodotti di lusso cinesi	○	○	○	○	○
Acquisterei prodotti di lusso italiani di manifattura cinese	○	○	○	○	○
Acquisterei prodotti di lusso cinesi di manifattura italiana	○	○	○	○	○

2. Esprima il suo grado di accordo con le seguenti affermazioni:

	1= Per nulla d'accordo	2	3	4	5=Completamente d'accordo
Mi capita spesso di essere impulsivo negli acquisti che faccio	○	○	○	○	○
Mi piace pensare che i prodotti che acquisto siano quelli sulla bocca di tutti	○	○	○	○	○
Ognuno dovrebbe vivere la propria vita senza farsi influenzare da quella degli altri	○	○	○	○	○
La mia felicità dipende anche dalla felicità delle persone intorno a me	○	○	○	○	○
Le persone che raggiungono fama e popolarità nella loro vita grazie ai propri successi personali sono generalmente persone da ammirare	○	○	○	○	○
Raggiungere la popolarità e il successo dovrebbe essere l'obiettivo di ogni persona	○	○	○	○	○

3. Facendo riferimento all'acquisto di prodotti di lusso, quanto si ritiene d'accordo con le seguenti affermazioni?

	1=Per nulla d'accordo	2	3	4	5=Completamente d'accordo
Solo i prodotti che non sono disponibili in Italia dovrebbero essere importati	○	○	○	○	○
Gli Italiani non dovrebbero acquistare prodotti stranieri, in quanto questo danneggia l'economia del Paese	○	○	○	○	○
Un vero italiano dovrebbe acquistare sempre prodotti "made in Italy"	○	○	○	○	○
Dovremmo acquistare prodotti realizzati in Italia invece di lasciare che gli altri Paesi si arricchiscano a spese del nostro Paese	○	○	○	○	○
Preferisco comprare i prodotti di origine italiana, anche se costano di più di quelli importati	○	○	○	○	○

4. Pensando ai prodotti di abbigliamento "made in China", quali sono gli attributi che le vengono subito in mente?

	1=Per nulla associabile alla Cina	2	3	4	5=Fortemente associabile alla Cina
Alta qualità	○	○	○	○	○
Economico	○	○	○	○	○
Di tendenza	○	○	○	○	○
Ricco di stile	○	○	○	○	○
Buona manifattura	○	○	○	○	○
Con un forte connotato tradizionale	○	○	○	○	○
Affini ai miei gusti	○	○	○	○	○

5. Pensando ai prodotti di abbigliamento "made in Italy", quali sono gli attributi che le vengono subito in mente?

	1=Per nulla associabile all'Italia	2	3	4	5=Fortemente associabile all'Italia
Alta qualità	○	○	○	○	○
Economico	○	○	○	○	○
Di tendenza	○	○	○	○	○
Ricco di stile	○	○	○	○	○
Buona manifattura	○	○	○	○	○
Con un forte connotato tradizionale	○	○	○	○	○
Affini ai miei gusti	○	○	○	○	○

2.Definizione del concetto di lusso (1/2)

1. Quando pensa a un prodotto "di lusso", quali di questi attributi le vengono in mente?
(Esprima il suo grado di accordo attraverso una scala da 1 a 5)

	1=Assolutamente no	2	3	4	5=Certamente sì
Appariscenza	○	○	○	○	○
Finezza nel design o nella forma	○	○	○	○	○
Possibilità di modificare le caratteristiche del prodotto sulla base delle proprie specifiche esigenze	○	○	○	○	○
Servizio al cliente superiore rispetto a quello dei concorrenti	○	○	○	○	○
Solo poche persone possono permetterselo	○	○	○	○	○
Esistenza di pochi esemplari di prodotto	○	○	○	○	○
Eleganza	○	○	○	○	○
Un processo produttivo eccellente e riconosciuto	○	○	○	○	○
Essere alla moda e di tendenza	○	○	○	○	○
Stile e design ricercati e caratteristici	○	○	○	○	○
La bellezza estetica del prodotto	○	○	○	○	○
Un prezzo più alto rispetto agli altri marchi del settore	○	○	○	○	○

2. Quali di queste caratteristiche rendono un prodotto "di lusso" ai suoi occhi?

	1=Per nulla d'accordo	2	3	4	5=Completamente d'accordo
Grande legame con il territorio di produzione del prodotto	○	○	○	○	○
Presenza di elementi artigianali	○	○	○	○	○
Innovatività rispetto ai prodotti presenti sul mercato	○	○	○	○	○
Produttore che vanta una lunga tradizione e una vasta esperienza nel settore	○	○	○	○	○
Garanzia della qualità, dell'affidabilità e delle prestazioni del prodotto	○	○	○	○	○
Grande reputazione del produttore in termini di qualità	○	○	○	○	○
Marca famosa e largamente conosciuta	○	○	○	○	○
Facile riconoscibilità grazie alla visibilità del logo	○	○	○	○	○
Esotismo (stile o caratteristiche del prodotto riconducibili ad altre culture)	○	○	○	○	○
Autenticità (prodotto originale, non imitazione di altri)	○	○	○	○	○

3.Definizione del concetto di lusso (2/2)

1. Quanto si trova in accordo con le seguenti affermazioni riguardanti il il suo rapporto con i prodotti di lusso?

	1=Per nulla d'accordo	2	3	4	5=Completamente d'accordo
Possedere prodotti di lusso fa sentire bene con se stessi	○	○	○	○	○
Acquistare prodotti di lusso è motivo di autostima e gratificazione personale	○	○	○	○	○
Possedere prodotti di lusso comunica prestigio a chi ci sta attorno	○	○	○	○	○
Un prodotto di lusso permette di essere associati a modelli o a gruppi di persone a cui si desidera appartenere	○	○	○	○	○
Attraverso i prodotti di lusso è possibile dichiarare la propria appartenenza a un gruppo sociale	○	○	○	○	○

2. Per quale motivo acquista prodotti di lusso?
Esprima il suo grado di acccordo con le seguenti motivazioni:

	1=Per nulla d'accordo	2	3	4	5=Completamente d'accordo
Perché sono di qualità superiore	○	○	○	○	○
Perché è un buon modo per comunicare il mio stato sociale	○	○	○	○	○
Perché sono più belli degli altri prodotti	○	○	○	○	○
Perché acquistarli è più piacevole che acquistare gli altri prodotti	○	○	○	○	○

3. Acquistare prodotti di lusso, a suo parere è:

	1=Per nulla d'accordo	2	3	4	5=Completamente d'accordo
Piacevole e divertente	○	○	○	○	○
Una perdita di tempo	○	○	○	○	○
Un momento necessario per sentirsi appagati	○	○	○	○	○
Un meritato momento di relax	○	○	○	○	○

4.Il lusso cinese

Il questionario è quasi terminato. In questa sezione concentreremo l'attenzione sulle Sue percezioni relative al **lusso** made in **China**.

Al giorno d'oggi, sempre più spesso, vengono lanciati sul mercato prodotti di lusso non solo realizzati, ma anche progettati in Cina da designer cinesi e venduti da imprese sia occidentali che cinesi.
In accordo con ciò, **"lusso made in China"** nelle prossime domande sta a indicare prodotti che sono **progettati, realizzati e commercializzati da imprese cinesi dell'alto di gamma**.

1. Secondo la sua opinione, in quale delle seguenti categorie la Cina sarebbe in grado di esprimere una marca di lusso?

	1=Assolutamente no	2	3	4	5=Assolutamente sì
Abbigliamento	○	○	○	○	○
Profumi	○	○	○	○	○
Cosmetica	○	○	○	○	○
Pelletteria (borse, scarpe, ecc.)	○	○	○	○	○
Accessori	○	○	○	○	○
Gioielli	○	○	○	○	○
Bevande alcooliche	○	○	○	○	○

2. Un prodotto di lusso cinese quali caratteristiche dovrebbe avere a suo parere?

	1=Assolutamente no	2	3	4	5=Assolutamente sì
Un design tradizionale	○	○	○	○	○
Un design innovativo	○	○	○	○	○
Simile allo stile occidentale	○	○	○	○	○
Peculiare e caratteristico	○	○	○	○	○
Prezzo inferiore ai prodotti di design occidentale	○	○	○	○	○

3. Provando a pensare a una marca cinese di lusso, quali sono le caratteristiche che renderebbero i suoi prodotti desiderabili?

	1=Assolutamente no	2	3	4	5=Assolutamente sì
Il prezzo economico	○	○	○	○	○
La modernità	○	○	○	○	○
Alta qualità della manifattura	○	○	○	○	○
Lo stile tipico e tradizionale	○	○	○	○	○
Chiara riconoscibilità del fatto che sia di design cinese	○	○	○	○	○

5.Il lusso italiano

È giunto all'ultima parte del questionario. Nelle prossime domande saranno focalizzate questa volta sulle Sue percezioni relative al **lusso** made in **Italy**.

Anche in questo caso il concetto di **"lusso made in Italy"** a cui le domande fanno riferimento è da intendersi in riferimento a prodotti di alta gamma di chiaro design italiano, realizzati in Italia e commercializzati da imprese italiane.

1. Secondo la sua opinione, in quale delle seguenti categorie l'Italia sarebbe in grado di esprimere una marca di lusso?

	1=Assolutamente no	2	3	4	5=Assolutamente sì
Abbigliamento	○	○	○	○	○
Profumi	○	○	○	○	○
Cosmetica	○	○	○	○	○
Pelletteria (borse, scarpe, ecc.)	○	○	○	○	○
Accessori	○	○	○	○	○
Gioielli	○	○	○	○	○
Bevande alcooliche	○	○	○	○	○

2. Un prodotto di lusso italiano, quali caratteristiche dovrebbe avere a suo parere?

	1=Assolutamente no	2	3	4	5=Assolutamente sì
Un design tradizionale	○	○	○	○	○
Un design innovativo	○	○	○	○	○
Simile allo stile occidentale	○	○	○	○	○
Peculiare e caratteristico	○	○	○	○	○
Prezzo inferiore ai prodotti di design occidentale	○	○	○	○	○

3. Provando a pensare a una marca italiana di lusso, quali sono le caratteristiche che renderebbero i suoi prodotti desiderabili?

	1=Assolutamente no	2	3	4	5=Assolutamente sì
Il prezzo economico	○	○	○	○	○
La modernità	○	○	○	○	○
Alta qualità della manifattura	○	○	○	○	○
Lo stile tipico e tradizionale	○	○	○	○	○
Chiara riconoscibilità del fatto che sia di design italiano	○	○	○	○	○

Il questionario è terminato. RibadendoLe l'assoluta confidenzialità nel trattamento delle informazioni raccolte, La ringraziamo della Sua preziosa collaborazione.

8. APPENDIX II

In this section it is possible to see the values scales made out the existing Marketing literature and used by the author for the questionnaire composition.

8.1 VALUES SCALES

8.1.1 Materialism values scale

Richins and Dawson (1992) developed the materialism values scale (MVS) to measure materialism in consumers. Since then, the scale has been used in numerous studies in the United States and elsewhere, and there now exists a substantial base of information about the psychometric properties of this scale and about its relationship to other consumer constructs.

SUCCESS:

1. I admire people who own expensive homes, cars, and clothes.
2. Some of the most important achievements in life include acquiring material possessions.
3. I don't place much emphasis on the amount of material objects people own as a sign of success.
4. The things I own say a lot about how well I'm doing in life.
5. I like to own things that impress people.
6. I don't pay much attention to the material objects other people own.

CENTRALITY:

7. I usually buy only the things I need.
8. I try to keep my life simple, as far as possessions are concerned.
9. The things I own aren't all that important to me.
10. I enjoy spending money on things that aren't practical.
11. Buying things gives me a lot of pleasure.
12. I like a lot of luxury in my life.
13. I put less emphasis on material things than most people I know.

HAPPINESS:

14. I have all the things I really need to enjoy life.
15. My life would be better if I owned certain things I don't have.
16. I wouldn't be any happier if I owned nicer things.
17. I'd be happier if I could afford to buy more things.
18. It sometimes bothers me quite a bit that I can't afford to buy all the things I'd like.

8.1.2 CETSCALE

CETSCALE was developed by Terence A. Shimp and Subhash Sharaaa in 1987; it is used for investigate ethnocentrism tendencies of respondents.

Full items list:

1. American people should always buy American-made products instead of imports.
2. Only those products that are unavailable in the U.S. should be imported.
3. Buy American-made products. Keep America working.
4. American products, first, last, and foremost.
5. Purchasing foreign-made products is un-American.
6. It is not right to purchase foreign products, because it puts Americans out of jobs.
7. A real American should always buy American-made products.
8. We should purchase products manufactured in America instead of letting other countries get rich off us.
9. It is always best to purchase American products.
10. There should be very little trading or purchasing of goods from other countries unless out of necessity.
11. Americans should not buy foreign products, because this hurts American business and causes unemployment.
12. Curbs should be put on all imports.
13. It may cost me in the long-run but I prefer to support American products.
14. Foreigners should not be allowed to put their products on our markets.
15. Foreign products should be taxed heavily to reduce their entry into the U.S
16. We should buy from foreign countries only those products that we cannot obtain within our own country.
17. American consumers who purchase products made in other countries are responsible for putting their fellow Americans out of work.

8.1.3 Value Consciousness

For exploring the Value consciousness dimensions were used the items developed by Lichtenstein, Netemeyer, and Burton, in 1990:

1. I am very concerned about low prices, but I am equally concerned about product quality
2. When shopping, I compare the prices of different brands to be sure I get the best value for the money
3. When purchasing a product, I always try to maximize the quality I get for the money I spend
4. When I buy products, I like to be sure that I am getting my money's worth

8.1.4 Luxury Values

For developing the survey section related to "luxury perception" and "luxury attributes" were used the items already tested by Klaus-Peter Wiedmann, Nadine Hennigs, and Astrid Siebels in their research "Value-Based Segmentation of Luxury Consumption Behavior" in 2009.

The items considered items wre:

Usability Values

- In my opinion, luxury is really useless.

- In my opinion, luxury is just swanky.

- In my opinion, luxury is pleasant.

- In my opinion, luxury is old-fashioned.

- In my opinion, luxury is good.

- Luxury products make life more beautiful.

- I am not interested in luxury.

Uniqueness Values

- A luxury product cannot be sold in supermarkets.

- True luxury products cannot be mass-produced.

- Few people own a true luxury product.

- People who buy luxury products try to differentiate themselves from the others.

Quality Values

- I'm inclined to evaluate the substantive attributes and performance of a luxury brand myself rather than listen to others' opinions.

- The luxury brand preferred by many people but that does not meet my quality standards will never enter into my purchase consideration.

- I buy a luxury brand for satisfying my personal needs without any attempt to make an impression on other people.

Self-Identity Values

- I never buy a luxury brand inconsistent with the characteristics with which I describe myself.

- The luxury brands I buy must match what and who I really am.

- My choice of luxury brands depends on whether they how I see myself but not how others see me.

Materialistic Values

- My life would be better if I owned certain things I don't have.

- I'd be happier if I could afford to buy more things.

- It sometimes bothers me quite a bit that I can't afford to buy all the things I'd like.

- I have all the things I really need to enjoy life.

Hedonic Values

- Purchasing luxury brands can be seen as giving me gifts to celebrate an occasion that I believe significant to me.

- On the whole, I may regard luxury brands as gifts I buy for treating myself.

- When in a bad mood, I may buy luxury brands as self-given gifts for alleviating the emotional burden.

- Reward for hard work or that I feel I have earned or am entitled to is an important motivator for my luxury consumption.

- To me, luxury consumption is a way to reduce stress.

- I enjoy spending money on things that aren't practical.

- I usually buy only the things I need.

- Buying things gives me a lot of pleasure.

Self-Directed Pleasure and Life Enrichment values

- Luxury brands are one of the sources for my own pleasure without regard to the feelings of others.

- I can enjoy luxury brands entirely on my own terms no matter what others may feel about them.

- For me as a luxury consumer, cultural development is important motivator.

- Purchasing luxury brands provides deeper meaning in my life.

- Self-actualization is an important motivator for my luxury consumption.

- Luxury consumption enhances the quality of my life.

Prestige Values in Social Networks

- I like to know what brands and products make good impressions on others.

- I usually keep up with style changes by watching what others buy.

- Before purchasing a product it is important to know what brands or products to buy to make good impressions on others.

- Before purchasing a product it is important to know what kinds of people buy certain brands or products.

- Before purchasing a product it is important to know what others think of people who use certain brands or products.

- I tend to pay attention to what others are buying.

- Before purchasing a product it is important to know what my friends think of different brands or products.

- I actively avoid using products that are not in style.

- If I were to buy something expensive, I would worry about what others would think of me.

- Social standing is an important motivator for my luxury consumption.

- For me as a luxury consumer, sharing with friends is an important motivator.

- I often consult my friends to help choose the best alternative available from a product category.

- My friends and I tend to buy the same brands.

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