A Revised Examination of Materialism and Conspicuous Consumption Among Young Chinese Adults

J Jeffrey S. Podoshen*, Associate Professor; Yiwei Fang*, Student
*Franklin and Marshall College, Department of Business, Organizations and Society

Abstract

- As consumer spending continues to grow in China and more Chinese consumers are developing preferences for western-oriented consumption traits, understanding the dispositional differences of these consumers and the implications of their behavior has become even more important.
- Utilizing survey data from two data sets at two different points in China’s history, we compared materialism, conspicuous consumption and related variables between young adult residents, aged 18-35, in two Chinese cities, and with an additional sample of young Chinese residents in 2008 (the height of China’s economic acceleration).
- We found that materialism and conspicuous consumption have surprisingly decreased among young adult consumers. Additionally, we found no significant differences in the variables of gender and marital status in young adult Chinese consumers. Findings suggest that previous growth in materialism and conspicuous consumption may have been arrested.

Introduction

- In recent years a number of studies have suggested and posited that Chinese culture is moving towards increased materialistic dispositions (Don and Dholakia, 2015; Hu and Huang, 2016; Yang and Stening, 2016).
- Young Chinese consumers are experiencing a process of reshaping their consumption values. They are subject to the influence of three sets of values, including communalistic values that emphasized personal sacrifice and contribution to the state, Confucian values about frugality and saving up for long-term needs, and materialistic values that are about spending money for personal enjoyment (Chan, 2003).
- After decades of suppression of materialistic and luxury-oriented desires under the impact of both Confucian and communalistic values, Chinese consumers now no longer hide their desire towards the appeal of consuming and show keenness to consume hedonically on social media (Duan & Dholakia, 2013).
- For many young consumers, the primary motivation and purpose for consumption is to improve reputation and social status and not necessary to show their individual taste and personality (Lin et al., 2015). The notions of "mianzi" (face), "guanxi" (personal relationships), and "tænging" (favor), originated from the relational orientation, social value in Chinese culture, are particularly noticeable as they can show individuals’ social status and are related to success (Wang, Shi & Barnes, 2008; Wang & Lin, 2009).
- Literature has suggested that in terms of materialism and conspicuous consumption, men often score higher than women (Segal & Podoshen, 2012; Workman & Lee, 2011).

Methods and Material

- For the 2016 sample, we obtained a sample of 208 usable responses of young Chinese consumers with an average age of 27. The surveys were disseminated online and respondents were primarily solicited from residents of the metropolitan areas of Wuhan, Shenzhen, Beijing and Shanghai. Surveys were completed in the first quarter of 2016.
- The 2008 sample comprised of 253 respondents and was deployed from 2008 through to 2009 with a mean age of 24. For these respondents we utilized street intercepts in major shopping areas in Shenzhen, Beijing and Shanghai. Additionally, we had Chinese residents complete surveys in university settings in those same cities.

- The survey instrument utilized only questions that have been rigorously tested in the literature. All materialism measures came from Richins and Dawson (1992). It uses three measures for each of the aspects to materialism, including Happiness, Success, and Centrality. The conspicuous consumption and fashion consciousness measures came from Chung and Fischer (2001).

Table 1 Significant differences in materialism measures by gender (2008-2009 vs. 2016 respondents) F-statistic Sig

<table>
<thead>
<tr>
<th>2008-2009</th>
<th>2016</th>
<th>F-statistic</th>
<th>Sig</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>2009</td>
<td>F-statistic</td>
<td>Sig</td>
</tr>
<tr>
<td>2016</td>
<td>2017</td>
<td>F-statistic</td>
<td>Sig</td>
</tr>
</tbody>
</table>

Table 2 Significant differences in conspicuous consumption and fashion by gender (2008-2009 vs. 2016 respondents) F-statistic Sig

<table>
<thead>
<tr>
<th>2008-2009</th>
<th>2016</th>
<th>F-statistic</th>
<th>Sig</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>2009</td>
<td>F-statistic</td>
<td>Sig</td>
</tr>
<tr>
<td>2016</td>
<td>2017</td>
<td>F-statistic</td>
<td>Sig</td>
</tr>
</tbody>
</table>

Table 3 Significant differences in conspicuous consumption and fashion consciousness measures (2008-2009 vs. 2016 respondents) F-statistic Sig

<table>
<thead>
<tr>
<th>2008-2009</th>
<th>2016</th>
<th>F-statistic</th>
<th>Sig</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>2009</td>
<td>F-statistic</td>
<td>Sig</td>
</tr>
<tr>
<td>2016</td>
<td>2017</td>
<td>F-statistic</td>
<td>Sig</td>
</tr>
</tbody>
</table>

RESULTS

1. While much of the research on Chinese consumers conducted over the past decade has pointed to increasing levels of materialism, our results suggest that this growth in materialistic dispositions may be reversed or arrested. Potentially this could be a result of the slowed growth in China’s economy over the past few years. It would make sense that materialism and conspicuous consumption was higher during the high-flying economic times of 2008 compared to the slower 2016.

2. We found that differences in materialism and conspicuous consumption among young Chinese were not significant. This suggests a leveling in consumption patterns between the two reported genders.

3. Similarly, we couldn’t discern significant differences based on marital status. As with most of the work related to marital status and gender, clear differences have not emerged between the married and the unmarried in terms of materialistic dispositions.

Limitation

1. An overwhelming number of respondents in both samples came from the large industrial centers of Wuhan, Shenzhen, Beijing and Shanghai. Our samples did not generally contain respondents from any one of China’s more rural areas.

2. Our results are limited to Chinese young adults aged 18-39. Adults 30+ may have very different consumer dispositions as might children below the age of 18.

Discussion

Summary of Findings

- H1: Young adult Chinese consumers today (2016) will exhibit higher levels of materialism than they exhibited in the past (2008). Not supported.
- H2: Young adult Chinese consumers today (2016) will exhibit higher levels of conspicuous consumption than they exhibited in the past (2008). Not supported.
- H3: Young adult Chinese consumers today (2016) will exhibit higher levels of conspicuous consumption than young adult Chinese men. Supported.
- H4: Young adult Chinese women will score higher in materialism than young adult Chinese men. Supported.
- H5: Young adult Chinese women will score higher in conspicuous consumption than young adult Chinese men. Supported.
- H6: Young adult Chinese women will score higher in conspicuous consumption than married young adult Chinese women. Not supported.
- H7: Unmarried young adult Chinese consumers will score lower in materialism than married young adult Chinese consumers. Supported.
- H8: Unmarried young adult Chinese consumers will score higher in conspicuous consumption than married young adult Chinese consumers. Supported.

Reference