Ca' Foscari
University
of Venice

Master's Degree programme

in Languages, Economics and Institutions of Asia and North Africa

(D.M. 270/2004)

Final Thesis

Western luxury brands in the Chinese market

The impact of digital communications on the new generation of consumers

Supervisor
Ch. Prof. Lala Hu

Assistant supervisor
Ch. Prof. Renzo Riccardo Cavalieri

Graduand
Lavinia Malinconico
Matriculation Number 864927

Academic Year
2017/2018

To my grandfather Ferdinando,

for being a timeless source of inspiration

Table of contents

序言

本论文的题目是西方奢侈品牌在中国的数字通信及其对消费者的影响，重点是社交媒体。

与以往相比，新一代中国消费者一直在发挥他们的独特特征并表现出模仿西方趋势的愿望，特别是关于奢侈品的消费。最近，中国成为了奢侈品公司的一个重要搭档，因为消费者更倾向于投资奢侈时尚名牌，这些公司正在利用那里的投资机会。与过去相比，消费者的品牌意识度越来越高，并且消费者更倾向于购买时尚的奢侈品。但是，由于中国文化和西方文化之间存在差异，中国消费者会根据他们自己的文化背景看待奢侈品。此外，由于技术快速发展以及人民活水平的提高，互联网普及率和电子商务的支出一直在增加。事实上，中国用户经常被冲浪和获取有关西方文化、趋势的信息的机会等因素激励，访问网站、观看广告、购买产品只用手机。因此，西方奢侈品牌在中国日益投资于数字通信。为了成功进入复杂且多元化的中国市场，对中国社会动态以及技术创新的正确认知将毫无疑问地成为国际奢侈品公司所需的有力武器。现代的中国消费者不但有大的文化意识，而且受到很多外部影响，只有使用能动和互动的营销战略，才能引起他们的兴趣。处理这种环境的时候，社交媒体和数字广告是需要考虑的要素。本文研究目的是了解西方奢侈品公司如何使用数字广告和社交媒体的交流进入中国市场，并且发现如何影响最年轻消费者的群体，即千禧一代。数字通信和社交媒体如何把奢侈品牌的价值传递给消费者？为了提高品牌和产品的消费者的参与度，企业应该如何利用社交媒体？对消费者有什么影响？

本论文分为三个章节：

1. 中国消费者对奢侈品消费的态度；

2. 西方奢侈品牌的在线广告、传播策略，重点关注中国社交媒体；

3. 关于中国千禧一代对奢侈品的态度以及西方奢侈品牌通过中国社交媒体的广告宣传的实证研究。

第一章节的目标是了解中国奢侈品市场，并描述现代的奢侈品消费者。随着最近政治和经济的变革，中国出现了一个新的社会阶层，而这个现象导致了一种不同的社会平衡：在富人和中产阶级之间有富裕人。经济的快速增长和可支配收入的增加导致了这个新的社会阶层的出现。富裕人跟中产阶级一起代表了一部分致力于奢侈品的消费者，并且对他们来说，奢侈品是成功和强大购买力的象征。中国富裕人喜欢旅游，在国外购买大量的奢侈品，不仅是因为奢侈品的价格比中国低，而且还因为这样消费者可以购买有独特价值的礼物送给家人和朋友们。然而，富裕人的阶层并不同质：以前的研究查明了不同类型，各种类型具有特点，其中最有前景的部分包括先行者和引领时尚者，他们热心奢侈品和领先奢侈品的公司。根据 Geert Hofstede 的文化维度的研究，中国是一个集体主义的国家，每个人把集体的利益置于自身利益之前，并且按照参照的群倾向做决定。中国人的行为被社会的集体主义维度影响，与西方国家的个人主义相对立。此外，儒者理念是中国文化的基本方面：所有的社会阶层都遵守美德，群体和谐，荣耀的价值观，而不是害怕羞耻和保护面子等一些理念。因此，消费者的行为受到家庭和社会阶层的影响，购买的产品反映他们的社会地位和成就，特别是在奢侈品消费的方面。

现代中国市场由四组消费者组成：

- 创始人，在 1978 年开始改革和市场经济的时候他们至少 40 岁，但由于缺乏本领或动力而无法受益；

- 文化大革命的继承人，他们能够利用了 1980 年代和 1990 年代提供的机会；

- 过渡一代，在经济改革期间时属于这个一代的人是 20 多岁的，为了面对新的市场经济所提供的挑战，他们能学习了所有的必要技能，还获得了最大的利益；

- 千禧一代（Gen Y）是自 1980 年代以来出生的，他们得到最好的教育，有强烈信心和雄心壮志，渐渐地用新的、更西化的价值观替代传统的集体主义价值观。

第一章节的最后一部分描写了中国千禧一代的消费者及其对奢侈品的态度。一方面分析了他们特征，另一方面指出了与国际同辈的相似性和与上一代的差别。具体而言，在购买原因和支付高价格的意愿方面，属于这一代的消费者有不同的看法，并且对物质、显眼消费已经表现出激烈倾向。

第二章节聚焦于西方奢侈品品牌公司在中国市场的定位。具体而言，第二章节包括三部分：第一部分介绍了奢侈品行业及其在中国的发展情况；第二部分描述了西方奢侈品公司进入中国所使用的主要渠道是从零售到广告；第三部分分析了中国最主要的社交媒体及网红（KOLs）的作用。第二章节的中心主题是奢侈品公司在中国利用数字渠道和实施网络通信的方法。新一代的消费者对移动设备开发表现出依恋行为，他们经常使用社交媒体，尤其是微信和微博。中国用户通过社交媒体接收的大量信息包括西方习惯和趋势，因而社交媒体在领先奢侈品公司的数字通信中已经成为了主要内容。社交媒体不仅帮助奢侈品公司加强其在消费者的心目中的定位，而且可以为品牌和产品

创造更高的参与度。用户一对产品感兴趣或满意就可以点赞、写评论、跟朋友们或粉丝分享帖子。这样，用户创造间接、非正式的广告而促进信息传播。在中国，这种现象，即口口相传（WOM），是消费者行为的一个重要方面，它的数字对应词是电子口口相传（eWOM）。最后，在社交媒体的广告下，西方奢侈品公司一直在使用 KOLs 来广告他们的产品：如果中国演员、歌手、体育明星等一些知名人士在社交媒体谈论品牌和产品，消费者可以增加对产品的参与度，因为他们最喜欢的明星已经表示了积极看法。

第三章节介绍实证研究，分为两部分。第一部分的目标是了解年轻的消费者（属于千禧一代）对奢侈品的消费和西方奢侈品牌的态度。我所使用的方法是焦点小组：从 2018 年 5 月到 2018 年 6 月我主办了四个焦点小组，一共有 22 名中国大学生参加，他们讨论了奢侈品行业的发展、年轻人对奢侈品的意见、中国社交媒体和数据广告的重要性、名人在奢侈品的广告的作用等一些问题. 第二部分分析了欧洲领先的奢侈品公司如何使用中国社交媒体来宣传产品和增加消费者对品牌的参与度。进行这种研究的方法是微博内容的分析。我选择了 12 个西方奢侈品公司的微博账户，所有选择的公司账户至少有 50 万个粉丝。从 2018 年三月到 5 月的 428 个微博帖子先从中文翻译成英文，再进行了分析，最后辨认了公司社交媒体的战略以及 KOLs 的使用方法，因此我只分析了包括 KOL 的帖子。在破解和归类之后，五个主要主题出现了：KOL 和品牌之间的辨识（扩展自我）；享乐主义；唯一性；质量；显眼。首先，这个分析表明了 KOLs 帮助奢侈品公司增进公司的价值观。一方面，新一代的消费者逐渐在建立自己的形象了，其中似乎西方的价值观比中国传统的价值观更加主导；另一方面，外国名牌正在塑造年轻一代的身份，并传达新的价值观和趋势。因此，在社交媒体的方面，公司和 KOL 之间的合作是把

品牌的价值观传递给消费者的一种努力。公司通过社交媒体可以增强产品的实用主义者或享乐主义者的价值观。为了与跟随者建立情感联系，奢侈品牌在社交媒体上的通信策略增加了享乐主义的价值观。根据微博帖子的分析，奢侈品牌通过传达精致体验的帖子强调了享乐的一面。 KOL 是最好体验的主要载体，他们将魅力和风度通过帖子传递给读者。中国年轻消费者表现出个人主义的倾向，以及唯一性的需要和反整合性的增长。奢侈品牌在社交媒体上的行为正在推动这种变化，以至于它们强调产品和名牌的独特性，这样向顾客提供全新体验。奢侈品牌因为消费者联想到高品质，所以他们认为奢侈品牌具有更高价值。为了在消费者的心目中获得独特定位，品牌需要把额外价值带给其产品并通过社交媒体利用它。此外，奢侈品牌与社会地位之间的联系是显眼消费的要素。在中国，使用奢侈品表示个人阶层的行为深深植根于社会，而在社交媒体上奢侈品公司将利用这种特性。最后，第三章节的实证分析是在消费者和企业方面进行的，不仅提供中国现代奢侈品市场的全面了解，还明确奢侈品公司如何利用社交媒体影响中国消费者。

Chapter I

Chinese luxury consumers: identity-building process between tradition and innovation

1.1. Chinese luxury market: the new millennium

The last decades of the XX century mark the beginning of a period of important changes for China, a nation with a growing awareness of the need to reestablish its image in the global contest. The new orientation toward a greater participation in the international economic system and an openness to the dynamics of globalization, became the pivot of the Chinese foreign policy between the end of the 90s and the beginning of the new millennium (Samarani & Graziani, 2017). China has shown the world its potential and soon the well-established multinational companies started to see that land as a fertile ground for the growth of a new wide market. The openness to foreign enterprises, along with the Chinese economic development, the increasing disposable income and purchasing power of the population, created a unique environment for the luxury industry to approach (Doctoroff, 2005).

During the first decade of the XXI century, the Chinese luxury market experienced a substantial growth, not only considering the attitude toward luxury in Mainland China, but also the increasing tendency of Chinese travelers to make luxury purchases abroad (Chevalier & Pierre, 2011). When in 2001 China joined the World Trade Organization (WTO), the process of communication and exchange with the rest of the world experienced another push, with China becoming more modernized and globalized (Zhang & Kim, 2013).

From 2001 to 2007 the presence of the most famous international luxury brands in Mainland China increased by 30%, with the number of stores reaching a growth margin of about 20% (Chevalier & Pierre, 2011). Despite the economic downturn of 2008, China remained the second country after Japan in terms of global luxury consumption, accounting for 25% of the global market. Moreover, while the global sales share of luxury brands decreased by 16% in

the US, 10% in Japan, and 8% in Europe, China's luxury sales reached 30% of the global market share in December 2010[1]. Between 2012 and 2013 luxury industry in China saw a considerable deceleration from 8% to 2%, but the consumers' tastes continued to become more sophisticated and Chinese remain the largest contributors to luxury purchases, making up 29% of the global market spending[2].

After a three-year deceleration, 2017 represented a turning point for luxury consumption in China: thanks to a careful government policy and updated branding strategies aiming to the revaluation of the domestic market, personal spending on luxury goods rose again. Websites started blossoming, and online spending became the new tendency among luxury consumers, especially on official websites because more reliable in terms of product authenticity[3].

Today, the luxury industry is flourishing in China and consumers are becoming more acquainted to Western luxury brands and products; however, the magnitude and the heterogeneity of the population certainly contribute to increase the complexity of such an interesting market. Moreover, luxury purchases are not only privilege of a wealthy middle-aged Chinese anymore, and new, younger, international consumers are what Western luxury brands need to look for when implementing advertising and communication strategies in China.

1.2.   The role of luxury in a collectivist country

The way people behave and perceive their role in society, as well as the relationship with others are the consequence of both the environment and culture of belonging. According to Hofstede (1984), people from various cultures differ on the basis of four (to which other two were added after a more recent research) dimensions of culture: power distance, uncertainty

---

[1] https://www.nytimes.com/2009/11/18/business/global/18zegna.html (accessed October 4, 2018)

[2] https://www.bain.com/insights/luxury-goods-china-market-study-2012/ (accessed October 4, 2018)

[3] https://www.bain.com/about/media-center/press-releases/2018/china-luxury-report-2018/ (accessed October 4, 2018)

avoidance, individualism and masculinity. Specifically, individualism, as opposed to collectivism, is the tendency of people to give priority to themselves and their family and is a characteristic of Western countries; collectivism, typical of Asian countries, is the tendency people have to belong to groups and look after each other in exchange for loyalty (Hofstede, 1984).

China has traditionally shared a collectivist culture, opposed to the Western individualism. While individualistic cultures enhance self-actualization, personal success, and self-confidence, the most distinctive feature of collectivist societies is acting to accomplish the interest of the group before the personal one, and the identity is built on the basis of the social system, even if the pursuit of cooperation, harmony, and welfare could jeopardize the establishment and the importance of the self-dimension (De Mooij & Hofstede, 2011). Chinese culture tolerates individualism only at a private level and only if it does not affect the interest of society and its moral standards. In the communist dimension, which has shaped the identity of Chinese people for long time, individualism is considered a negative behavioral pattern, because it does not fit the ideal of putting the interest of the collectivity before the personal one (Degen, 2009).

Belonging to a collectivistic rather than an individualistic culture has consequences on the way consumers value products and services. Therefore, Chinese consumers generally tend to attach great importance to material possessions which can emphasize a certain socioeconomic hierarchy and consider the choice of products based on the opinion of the collectivity or the group of reference. In fact, the symbolic value brands, producers or country of origin of products have for Chinese consumers is strong and it is influenced by the society's collectivistic dimension. Specifically, the purchase of luxury goods is in line with the desire for social prestige (typical of collectivist cultures) and with the need to preserve the appearance in front of others (Gao et al., 2009).

Luxury fashion goods are branded products whose use and display give a certain prestige to the owner beyond the mere functional aspect (Gao et al., 2009). Luxury has both value for the person who buys it and the people around him/her: on one side, luxury products can become tools to use when there is the need to pamper or elevate the self, and escape from the pressure of daily life; on the other side, the display of luxury products has a symbolic meaning also for

other people, to the extent that it highlights the position in a social group. For this reason, luxury has become a distinctive mark in societies like China, which is now building its image inside and outside the country after years of equalitarianism (Kapferer, 2015).

The perception of luxury as something extremely expensive and for wealthy people is related to the concept of conspicuousness, which is an important aspect of luxury for consumers who seek social prestige and associate luxury to price and social status. Luxury is also related to uniqueness, to the extent that it is a way to show a different personal taste, break the rules of conventional and mass consumption, and strengthen the self. Rarity and exclusivity can enhance the value of a product and make it more desirable in the eyes of consumers. Compared to non-luxury products, luxury goods are generally considered to have higher quality and superior craftmanship, which are key factors for consumers all over the world in determining the positioning of a brand. Materialistic consumers tend to consider luxury brands as tools to rich happiness, and many of them display luxury products to classify themselves, when the desire of social acceptance and conformity with the group of reference is high. Thus, luxury becomes a way to gain personal reward and fulfilment, enhancing the emotional benefit obtained through the hedonic experience of luxury, which goes beyond the functionality of the product itself. However, for many consumers, luxury has a deeper meaning related with the inner dimension of the person: it becomes a way to build the identity rather than distinguish from others and it is perceived as an extension of the self (Vigneron & Johnson, 2004).

The practice of purchasing products for their exclusivity is commonly known as "snob effect", which is opposed to the "bandwagon effect", related to the purchase of goods to express the belonging to a group; the display of luxury product to signal a social status generates, instead, the so called "Veblen effect" (Gao et al., 2009).

In China, luxury products are embedded in social value, and are indicators of status and wealth, enhanced by the expensive side of luxury; therefore, luxury purchases play a role in building social stratification, and in defining the self-dimension within the society (Kapferer & Bastien, 2008). In fact, the main motivations leading consumers to have a positive attitude toward luxury products include the willingness to obtain a certain status, past positive experiences and memories, the desire to have a luxurious life, the fear linked to embarrassment in front of others. While women have generally a broader knowledge of the luxury industry, preferring

new brands and innovative products through which they can distinguish from the mass, men tend to keep a more conservative approach when it comes to luxury products, choosing among few and traditional brands to which they are loyal (Diaconu & Cerceloiu, 2017).

Focusing on the attitude towards luxury, a study conducted by Zhan and He (2012) on Chinese middle-class consumers highlights the presence of a considerable degree of difference with international peers on various levels, proving how the collectivist dimension of Chinese culture has a strong impact on the purchasing behavior of such segment, especially toward luxury goods. Generally, consumers choose luxury brands because they are a symbol of incomparable quality and brand equity. However, as the tendency to abide by social norms is high in China, social pressure linked to the desire to conform results in a more positive attitude toward well-known brands, showing that the uniqueness of a product is not valued as in Western countries. In fact, self-expression would be more important for consumers from individualistic countries, in which consumers associate purchase intentions to personal attitude. In collectivist countries, where individuals rely more on interpersonal relationships to define their behavior, brand name has a strong bound with group identity, and the purchase of luxury goods follows the need to meet social expectations (Zhang & Kim, 2013).

Additionally, Chinese consumers' buying patterns are mostly shaped by Confucian values, which stress group harmony, collectiveness, and respect. Family and collectivity at large deeply influence individual behavior in China, to the extent that consumers tend to attach great value to brands rather than products, because wearing a well-known brand is a way to obtain recognition both for the self and the family. Another important Confucian value linked to the growth of luxury in China is the respect for others as a symbol of social superiority; therefore, luxury products and conspicuous consumption can immediately impress the counterpart and communicate superiority, letting the individual earn respect from others. Third, the desire of glory and the fear of shame are fundamental aspects of society which push people to succeed. In such context, luxury brands have become a symbol of glory and respect, giving the individual the possibility to be accepted by the elite, not necessarily because of personal achievements or family heritage (Degen, 2009).

In a context of people who purchase well-established and recognized brands to show their position in society, the relation with the Chinese concept of 面子 *miànzi* (face) is clear

(Zhang & Kim, 2013): because individuals are considered reflection of their families, each individual constantly stands for the web of relationships it is engaged in; thus, preserving a good reputation is a necessity to maintain the integrity of the family (Bian & Forsythe, 2012). Clearly, the need to preserve the face finds in the display of luxury products the perfect match, and the appearance is built through a dress of a famous designer, a diamond necklace or a hypnotic perfume.

1.3. Chinese luxury consumers

Chinese society has been deeply influenced by the ongoing economic growth, and many individuals are achieving a higher social status, with a resulting change in the traditional dynamics of social class distribution (Degen, 2009).

Chinese wealthy individuals have at least US$ 1 million in financial assets and are the social class which traditionally had the possibility to purchase luxury products. They are found to spend on luxury products around 88% of the total luxury spending in China[4], making them the elite to which everyone desires to belong (Chevalier & Pierre, 2011). Nevertheless, the purchase of luxury products, a symbol of success and good taste, is spreading all over the society, and other classes are emerging as new targets for international luxury brands.

As a direct consequence of the political doctrine of the former President Deng Xiaoping, who enhanced the link between richness and glory, everybody has now the desire to own luxury goods and be part of the great leap China has been experiencing (Kapferer, 2015). For this reason, luxury in China is a way to participate in the overall growing process of China and show through the display of international high-end brands that the world's leading countries can start looking at China as one of them.

---

[4] Chinese luxury consumers: More global, more demanding, still spending:
https://www.mckinsey.com/business-functions/marketing-and-sales/our-insights/chinese-luxury-consumers-more-global-more-demanding-still-spending (accessed August 26, 2018)

Furthermore, the progressive liberalization of prices, the fiscal decentralization, the foundation of a new banking system, and an easier access for foreign traders and investors, have led to the development of a new social class in China: with a strong attractive power for the manufacturers of luxury goods, the "new rich" have given a substantial contribute to the growth of luxury consumption in China (Gao et al., 2009).

Reaching the number of 34 million people[5], such segment is also known with the name of "affluent" and includes individuals with an earning higher than US $25,000 per year, who are mostly concentrated in the main cities, such as Beijing, Shanghai, Guangzhou, Shenzhen, Chengdu and Chongqing. A characteristic of Chinese affluent is the young age: the great majority is below the age of 47, while a big portion is between the age of 25 and 34. Another distinctive characteristic is their level of education: most affluent in China have a university degree, often with a studying or working experience in Western countries, such as U.S., U.K. or Canada (Degen, 2009; Chevalier & Pierre, 2011). They have a strong predisposition to travel, also due to their economic possibilities, and are quite familiar with Western cultures. The main reasons why affluent decide to invest in luxury goods seem to include the good quality of products, the desire to pamper the self and enhance the status symbol.

Together with the affluent, Chinese middle-class is another substantial segment which has been recently approaching the luxury sector. With an annual income of about US $6,000 (equivalent to CNY75,000[6]), Chinese middle-class accounts for 15% of the households, and is eager to purchase high-end products, which are definitely neither perceived as the result of a superficial behavior nor a waste of money (Zhang & Kim, 2013; Chevalier & Pierre, 2011). Consumers belonging to the middle-class value the social benefit provided by luxury goods higher than the functional benefit, mainly because this choice is considered a way to conform to the expectations of the group (Zhan & He, 2012); therefore, the middle-class relies on the display of luxury products as an opportunity to become member of the elite (Zhang & Kim, 2013).

---

[5]

https://www.scmp.com/business/companies/article/2100208/chinas-34m-mass-affluent-consumers-drive-75-pc-national (accessed August 26, 2018)

[6] CNY/EUR= 0.1251 (as of September 17, 2018)

Lastly, following the Chinese socioeconomic development, women are acquiring a stronger independence, contributing more and more to the increasement of luxury goods purchases in China. Even though man are still the major contributors to China's luxury spending (especially with business gifts), business women, celebrities and independent rich wives are a growing category in terms of luxury shopping in China (Chevalier & Pierre, 2011).
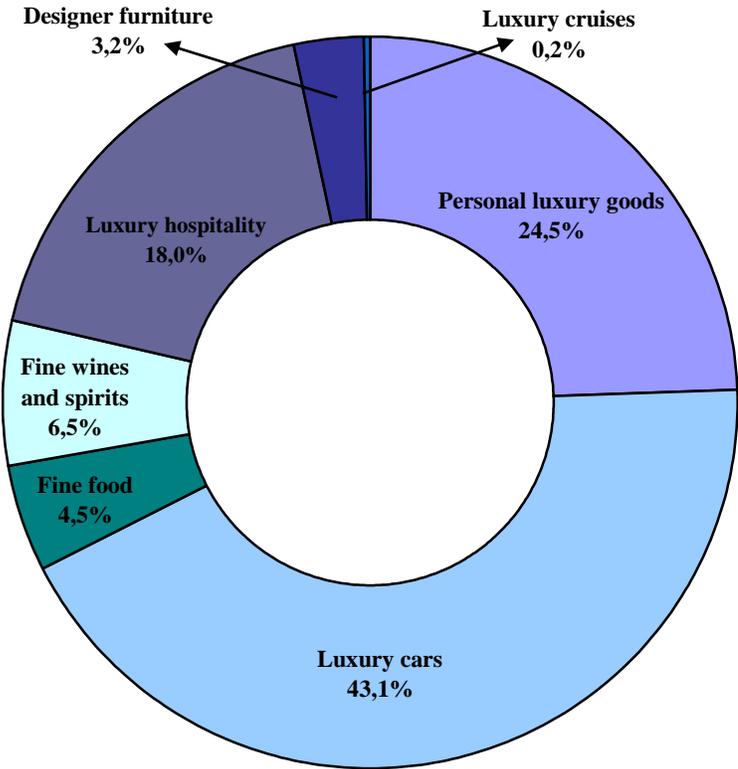
Figure 1. Chinese consumers' luxury spending in 2016 (adapted from Bain & Company, 2016)

1.4.   The affluent segment

Chinese affluent is believed to be the social class with the highest interest toward luxury goods and Western luxury brands. A possible explanation can be the tendency to travel, not only in China but also in other Asian and Western countries (Euromonitor International, 2018). Hong Kong is one of the most popular destinations of Chinese affluent, followed by Macau, U.S. and Singapore, but the percentage of travels to European countries is growing (Chevalier &

Pierre, 2011). As luxury products are subjected to high taxation in China, Chinese consumers travelling abroad are frequent purchasers of luxury goods, which they keep for themselves or give to family and friends as gifts.

Due to the growing contact with Western culture and trends as the result not only of travels but also of the intense use of media (the use of internet reaches 90%), Chinese affluent consumers are becoming more familiar with Western luxury products, especially accessories and shoes. Furthermore, they show a strong interest in the heritage of a brand, as well as in products which follow the latest trends, and have a positive attitude toward exclusive retail experiences (Degen, 2009; Chevalier & Pierre, 2011).

Chinese consumers can decide to buy everywhere in the world while travelling, taking into consideration, besides the most favorable exchange rates, that buying a gift in the flagship store of a famous luxury brand in Western cities like Paris, Rome or London ensures the authenticity of the product and gives it the high symbolic value Chinese consumers look for (Kapferer, 2015). As a matter of fact, as a consequence of the urbanization process and rapid expansion of Chinese urban areas, luxury brands are strongly investing in the main cities, building boutiques and providing unique in-store services to attract customers; indeed, receiving an exceptional in-store service is considered a decisive factor leading to the purchase (Atsmon et al., 2011).

Even though relatively homogeneous in terms of income and buying patterns, the Chinese affluent segment shows differences in the approach to luxury. Specifically, Gao et al. (2009) identified five market segments of Chinese affluent consumers, which differ on the basis of their attitude toward luxury: with the highest level of education and income, *achievers* (mostly males) consider luxury brands symbols of their high status, and even if they don't have a strong interest in fashion, they spend a consistent amount of money on clothing; *conservatives* (mostly females) have the lowest level of education and consist mainly of ordinary employees, they value family more than the other segments do and spend less on clothes; the most fashion-conscious are the *experiencers*, the segment with the youngest consumers characterized by a positive attitude for life and interest in social activities, they spend a lot of money to buy luxury brands and seek a higher social status; *followers* include the oldest portion of consumers, who have a moderate interest in fashion and consciousness of

14

well-known international brands; lastly, *idealists*, showing a strong commitment for family and support for the interest of collectivity, are the lest brand conscious but the highest purchasers of luxury brands after experiencers.

Overall, experiencers are the most promising segment for luxury brands, because considered early adopters and trendsetters, as their involvement in fashion is high and they have a good awareness of the leading international luxury brands. For experiencers, luxury brands have also value in terms of group membership, in fact such segment of consumers often tends to imitate peers who belong to the same social class or to the one they would like to reach.

Achievers and idealists have also a big potential as target segments for the luxury industry: on one side, achievers have a strong awareness of luxury brands and tend to purchase them in order to display achievement and success; on the other side, the approach idealists have toward luxury brands is related to the self-dimension rather than to other people, meaning that the purchase of luxury is something linked to self-satisfaction and not to the achievement of a certain social status.

The buying patterns of Chinese affluent are linked to the desire to show everyone that they have enough money to do what rich people do. Their tendency to buy luxury products is the result of an enrichment process of a social class which is being wealthy for the first time and cannot wait to show it. Therefore, luxury products can immediately provide the proof that they have reached a wealthy and successful status; this is also the reason why Chinese affluent tend to prefer products that are easily recognizable by others, mainly with a monogram or with details through which the brand is clearly visible (Degen, 2009).

Today, between the influence of modern Western values and the traditional ideals of Confucianism, Chinese affluent are living a sort of inner conflict which is gradually affecting their identity, as well as their buying patterns. Because of the need of social recognition, brand awareness is strongly associated with the conspicuous side of luxury; thus, affluent choose brands which meet their desire of conspicuous consumption, and they would hardly purchase a luxury product if the brand is unknown in China or is not recognized as an international luxury brand. Chinese affluent consider luxury products expensive, fashionable, with a superior quality and exclusive, as only few people can afford them. In the majority of the cases,

15

Chinese tend to choose only brands which are globally recognized as top brands, in order to prove that they have the possibility to buy what is considered, mainly from the Westerns' point of view, the best (Kapferer, 2015).

Lastly, to properly define the Chinese affluent segment, few words on the importance of the word-of-mouth (WOM) need to be spent. The strong sense of group belonging and the desire to show off the social position achieved result in a wide use of WOM as trusted social practice and mean of communication among people of such segment (Chevalier & Pierre, 2011). Affluent consumers seem to highly value the opinion of family and friends, which are part of the closest group of reference of each individual. In fact, the first contact with a brand or product is often the result of a conversation with a friend or relative who talked about it. Such segment would be more prone to purchase a brand's product if suggested by a close person or a person who belongs to the group of reference, proving that informal communication is important for Chinese affluent when it comes to luxury consumption.

Marketing Influences	% extremely or very influenced
Friends/family recommendations	76%
Independent consumer reviews	63%
Loyalty reward programs	61%
Social media posts from a brand or company	61%
TV commercials	57%

Table 1. Marketing influences on Chinese consumers (Euromonitor International, 2018)

1.5. Profiling Chinese generation Y consumers

The modern Chinese marketplace establishes itself around four distinct groups of customers (Degen, 2009):

- The founders, who were at least 40 years old when the period of reforms and market economy started in 1978 (now around 80 years old) but couldn't benefit from it because of a lack of skills or motivations[7];

- the heirs of Cultural Revolution, currently between 60 and 79 years old; many Chinese entrepreneurs, who were able to take advantage from the opportunities the 1980s and 1990s offered, came from this generational cohort;

- a transitional generation of those who were in their 20s' during the years of the Economic Reform, now aged around 40-59 years; such segment was capable of learning the skills needed to face the challenges offered by the new market economy, obtaining the greatest benefits;

- the "One-child Policy" generation of those born since the 80s'. With the best education, a strong confidence and big ambitions, such generation is gradually substituting the traditional values of collectivism with new and more Westernized ones.

Following the drastic social and economic changes of its most recent history, a high degree of differentiation in terms of values and lifestyle is shown not only across Chinese generational cohorts, but also among members of each generation.

Living in a period of political and economic instability, the older generations are far more different than the last one in terms of personal spending, being more price-conscious and less brand-oriented; on the other hand, the "One-child Policy" has given to birth what is becoming the broadest segment for luxury consumption (Moore, 2005).

The birth control policy enforced by the Chinese government in 1979 is the first step toward a neat change in the purchasing habits of the new generation of *little emperors* and *empresses*, since they grew up receiving attentions and care from parents and grandparents as no one in China before. The expected result is a generation of self-centered and self-indulgent individuals, used to obtain the best and look for it in all aspects of life (Degen, 2009).

---

[7] http://content.time.com/time/world/article/0,8599,1912861,00.html (accessed October 4, 2018)

Before 1978, goods and commodities had uniform prices and the choice was highly limited, but during the years of the Economic Reform, the Globalization started to take roots all over the world and the China of Deng Xiaoping embraced a radical social change, resulting in a new shift toward wealth and luxury. The implementation of the "Open-door Policy" at the end of the XX century was the bridge foreign traders of Western countries needed to finally approach the Chinese market. Both the availability of consumer goods and the purchasing power experienced a dramatic growth, as a direct result of the economic development (Chen and Feng, 2000; Doctoroff, 2005). International magazines, Korean pop music, Hollywood movie stars, and a flood of foreign brands the young generation started to become familiar with, are only some of the ingredients of the cultural melting pot they grew up in, which is without doubts the main driver of the international taste and passion for luxury they have been developing as a distinctive feature (Moore, 2005).

Since an early age, the "One-child generation" started to feel the pressure of meeting the parents' expectations and had to deal with a reality in which striving for achievement and success was becoming a necessity. In a moment in which China was establishing itself as a powerful nation worldwide, the generalized optimism of this generation was constantly followed by the need to work hard and contribute to the success of society at a broader level: at a young age, Chinese students start the training to perform the 高考 *gāokǎo* and earn a place at the most prestigious universities scattered all over the country. The result of a high-competitive education system combined with the one-child policy is a wealthy generation with high disposable income and a devotion to luxury as a symbol of social status (Yu & Suen, 2005). Moreover, being the first generation to have the opportunity to experience an education abroad, the Chinese Generation Y holds a variety of ideals, beliefs, and perspectives which exert a strong influence on the purchasing behavior related to luxury goods (Moore, 2005).

Also, the diffusion of mobile technologies and the possibility to be connected with the rest of the world, as a consequence of the rapid technological growth in China, has influenced the new generation, which is assimilating new values and believes. Chinese generation Y consumers have been developing common features with their international peers, even though the specificity of their culture inevitably brings to light differences.

The hyper-connected Chinese generation Y has developed a strong trust in media and attachment to personal devices; such personal attachment results in the perception of mobile phones as an extension of the self. As young consumers from other countries, Chinese ones have a positive relationship with mobile devices and are more open to mobile marketing programs than previous generations. Of course, belonging to a collectivistic culture still determines a certain degree of risk avoidance, which results in a stronger need for privacy and a lower predisposition to disclose personal information online (CeSIF, 2018; Gao et al., 2013).
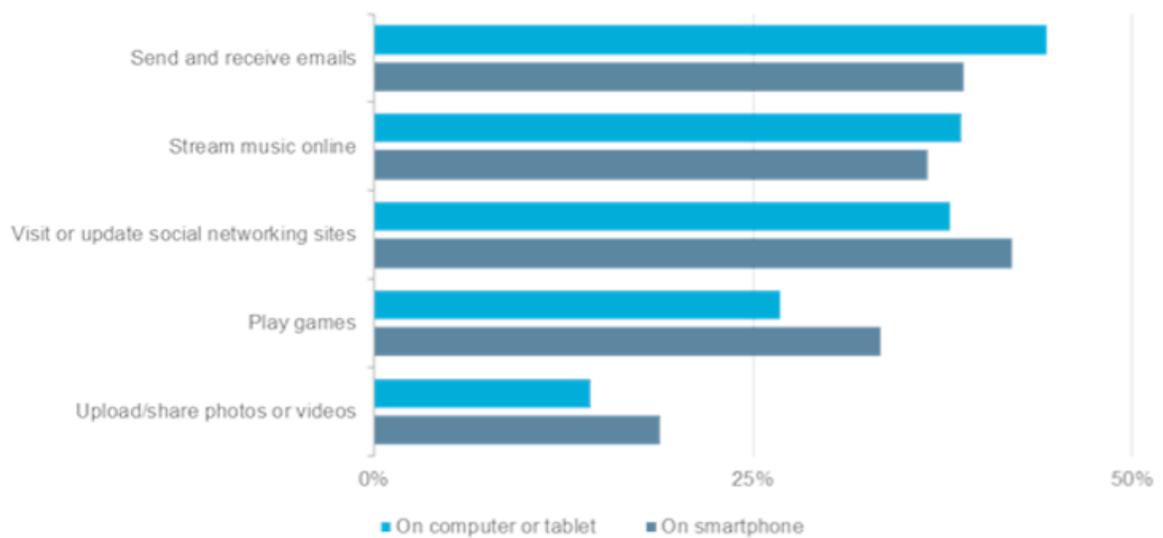
Figure 2. Most frequent activities on mobile phones among young adults (18-29 years old) in 2017 (Euromonitor International, 2018)

Such exposure to media and social networking, which constantly show beautiful international celebrities and fashion models, have been changing the relationship Chinese generation Y has with vanity. As the attention for physical appearance and professional achievement is growing in China, consumers tend to make purchasing decisions in relation to these two aspects; therefore, they would be more likely to buy products which satisfy their desire to look good and be at the best.

Because of the higher living standards and purchasing power, Chinese Generation Y has started to purchase more products and services in line with their personality and desires. The strong interest in luxury brands, designer clothes, orthodontic treatments, cosmetic surgery, diet products, reveals how the focus on physical appearance of both man and women is part of a new kind of Chinese consumer which is closer to Western peers than one can imagine.

The concern for professional accomplishment is also a distinctive feature of generation Y all over the world, including China. The pressure to gain access to prestigious universities and succeed in life is strong for Chinese Gen Y consumers, who grew with the idea of working hard and always be the best among peers. Thus, the desire to have material possessions to be at the center of attention is the result of such personal attitude toward life and success. Indeed, not only vanity is now strong in Chinese society, but also achievement and attractiveness have become two peculiar features in the mindset of consumers.

Interestingly, the modern entrepreneurs, who managed to rich a high social status through hard work and have now the possibility to buy expensive goods, embody a new kind of idol for many young Chinese, providing evidence of how common features with Western consumers are increasing (Durvasula & Lysonski, 2008).

1.5.1. One Generation, different segments

A significant feature of the modern Chinese luxury consumer is the young age (Atsmon et al., 2011), opposed to Western countries in which the average luxury consumer is middle-aged (Ngai & Cho, 2012). Young adults and middle youth, including consumers from 18 to 44 years old, account for 39% of the population and are increasing their demand of products and services to improve life quality (Euromonitor International, 2018). Chinese generation Y has the chance to study abroad and spend time in Western countries, in most cases entering in contact with different cultures and values. The dynamic, cosmopolitan and educated Chinese youth are considered by relatives and peers to be experts of Western culture and international trends; in a nutshell, they are real opinion leaders capable of exerting influence on luxury

trends in the domestic market (Tsai et al., 2013). Specifically, consumers between the age of 18 and 29 show a stronger tendency to spend for themselves than previous generations, especially for products related to personal care, clothes and accessories, and travels. On the other hand, generation Y consumers between 30 and 44 years old, with a higher salary and interest in increasing their quality of life, are a powerful segment within their generational cohort (Euromonitor International, 2018).

Ngai and Cho (2012), after conducting consumer interviews in China on individuals between 20 and 25 years old, made an attempt to profile the young luxury consumer, and managed to identify four different segments, each of them carrying peculiarities and a specific perception of the world of luxury: *the overseas pack*, *the self- established cool*, *the luxury followers*, and *the spirituals*.

Experts of luxury brands, able to recognize quality products, and aware of their preferences: *the overseas pack* groups the modern Chinese trendsetters. The members of this cluster have achieved a higher social status and a considerable income; therefore, they are not price sensitive and the main drivers of luxury purchases are high quality and uniqueness. In spite of the international experiences and overseas education received, they surprisingly perceive themselves as modern Chinese who feel close to national values and beliefs.

The self-established cool frames a younger consumer whose need is to discover and establish its own identity through the purchase of luxury products, even if it means to go against the mass. Mostly typical of university students without an economic independence, the self-established cool is a much more price-sensitive segment, but highly passionate for luxury and interested in discovering the story behind a product. Characterized by both the need to reinforce the self-identity with constant search for uniqueness, and the desire of belonging to a tribe, they have been identified as "individuals within a collective group".

Not brave enough to be trendsetters, but highly interested in luxury products, *the luxury followers* tend to conform to the mass and buy brands which are either promoted by luxury experts or recognized by the community they belong to. Consumers within this group are the most bound to the patterns of collectivism when it comes to buying behavior: their individual choices are strongly influenced by social status, family and educational background.

In contrast to the other groups, *the spirituals* care about the environment and believe to have an active role in "making the difference". They are keen to luxury purchases to the extent that high-quality and high-durability items can increase their living condition and promote a more responsive consumption. This group seems to trace the profile of a socially-responsible and environmentally-conscious luxury consumer, following a new trend which is growing in popularity among the young Chinese generation.

1.5.2. *Distinctive features and buying patterns of China's youth*

Generation Y consumers are more brand conscious than previous generations, and willingly to invest in the purchase of high-quality luxury items, despite their young age and lower earning of who still depends on parents or has just been hired (Giovannini et al., 2015). Brand consciousness, however, is not always a symbol of brand loyalty, because generation Y consumers show a tendency to purchase a variety of brands with different levels of prestige and price[8]. Chinese modern consumers are constantly exposed to luxury not only through overseas experiences, but also through the Internet, which gives the possibility of an ongoing connection with the rest of the world. This is one of the reasons why Chinese youth is becoming more familiar with Western luxury goods, acquiring more consciousness about the relationship between price and quality, mainly due to the growing expansion of websites and social media, together with the rapid diffusion of luxury stores in the main cities (Atsmon et al., 2011).

Thanks to the frequent travels, Chinese young consumers are growing in brand awareness and have a more complete knowledge of luxury products. Since they can compare prices in foreign countries with Chinese ones, the consequence is an increasement of purchases made abroad because more convenient (in Mainland China prices for luxury goods are about 20% higher than other countries, such as Hong Kong). As brand awareness is increasing, consumers are more willing to purchase original luxury goods than counterfeits (Atsmon et al., 2011). The

---

[8] https://www.cnbc.com/id/46373062 (accessed October 4, 2018)

reason is linked to the fear that other people can recognize a fake good, which could create embarrassment and would make the person "lose his face".

Consumers belonging to this cluster discover themselves in a moment in which they need to build their self-identity, while already showing high levels of *self-esteem*; at the same time, purchasing decisions reflect the influence of peers and society at large, determining a strong *public self-consciousness* to be another distinctive feature of this generation of Chinese consumers.

It was found that generation Y consumers with high public self-consciousness and high self-esteem are more likely to develop a strong brand consciousness, which is the preference toward the purchase of well-known brands instead of others. They argue that generation Y consumers which are highly brand conscious are more likely to be brand loyal and show stronger purchase intentions towards luxury fashion products; moreover, consumers with high brand consciousness are more prone to purchase luxury products to which they feel strongly connected (Giovannini et al., 2015).

1.5.3.   Collectivism vs. Individualism: changing attitudes toward luxury products

The collectivistic dimension of Chinese society has relevant consequences regarding what determines the willingness to buy a luxury product of a certain luxury brand. Generally, in the luxury industry brands acquire more value in relation to the perceived rarity, and consumers show a stronger desire to purchase when they feel that a product is symbol of uniqueness. This happens in Western countries, where individualism prevails along with the need to distinguish from others; however, even though cultural differences affect the perception of brands or products and the desire to buy, the influence of Western patterns on Chinese values is gradually is becoming visible. Chinese consumers are traditionally expected to buy in relation to their belonging to a collectivist society; thus, the rarity of brands and products would not be expected to impact the purchase decision in a positive way. Kapferer and Valette-Florence (2018) highlighted how not only brand awareness seems to be an important pusher for the

purchase of luxury products, but Chinese society is showing a slight tendency to seek uniqueness and exclusivity, in line with Western and more mature countries: Chinese generation Y consumers, increasingly exposed to outside influences, are showing a tendency toward a more individualistic and Westernized attitude (Duan & Dholakia, 2015; Simmers et al., 2014; Tsai et al., 2013).

Chinese traditional values influenced by Confucianism and resulting from the collectivistic environment, are gradually becoming outdated in light of the recent changes China is going through. The tendency to suppress desire, the thriftiness, the respect of social status of belonging are experiencing a modernization process, which is impacting also the relationship between consumers and consumption. Conspicuous consumption is increasing, along with the hedonic side of consumption at the expense of the interest in functional benefits. The whole modernization process created a new generation of Chinese consumers who are more focused on material possessions, individualism and hedonism. Furthermore, the values of the elite and people belonging to lower social classes are converging, creating a less static social structure which allows more mobility among classes. Chinese consumers are more open to express their desire related to the purchase of goods beyond the utilitarian aspect, instead of inhibiting it as in the past. In fact, they seem to be more willingly to pursue hedonic experiences through consumption, which has a direct link with the growing importance given to material possessions (Duan & Dholakia, 2015).

Results of a research conducted in 2014 by Simmers, Parker and Schaefer on a sample composed of American and Chinese college students suggest, in fact, that Chinese generation Y is experiencing a growth in the dimensions of need for uniqueness and counter-conformity, compared not only to the older generations, but also to American peers. Traditional differences due to belonging respectively to a collectivist and an individualistic culture are changing, along with the general attitude of complying to a more collective taste: in particular, young women showed a higher need for uniqueness compared to American peers (Bian & Forsythe, 2012). Such elements are evidence of a counter-conformity in relation to what would be expected from a collectivist culture and what has been the common practice among the Chinese older generations.

Furthermore, Chinese international students experiencing a process of acculturation and cultural identification with the American culture, show affinity with the individualistic culture in relation to the buying patterns of luxury goods (Tsai et al., 2013). As a direct consequence of the exposure to American culture, the young and cosmopolitan modern Chinese have been developing new distinctive tendencies, as opposed to the common idea that the average Chinese consumer would mostly choose bandwagon luxury brands to meet the expectation of the group members they share similar lifestyle and background with. As a matter of fact, Tsai et al. (2013) pointed out that the interest in unique luxury brands and products is growing among Chinese generation Y consumers, not only as a consequence of a growing sophistication of tastes, but also as a result of an exposure to American culture and values. Clearly, the modern Chinese luxury consumer is more oriented toward an individualistic set of values filled with hedonism, personal achievement and self-confidence (Wei et al., 2012).

Young Chinese consumers who are interested in fashion tend to have a positive attitude toward premium brands with high status. The status of a brand, along with the attitude toward that brand has an impact on consumers' willingness to pay a premium price, to the extent that if consumers perceive a high brand status and hold a general positive attitude toward the same brand, they would be more prone to pay more for a product of that brand. Chinese generation Y with a strong involvement in fashion tends to consider premium brands as status brands, meaning that in China the degree of involvement of consumers is capable of influencing the opinion of brands and the predisposition to spend more money on that brand (O'Cass & Choy, 2008).

It is clear that the market is still growing, but even though the bandwagon effect is still strong, the shift toward a more Western approach concerning the buying patterns of luxury products is slow but visible.

In fact, according to Atsmon et al. (2011), among the main reasons to purchase luxury products, the status of international famous brand follows only the superior craftmanship, revealing the growing tendency of buying something which can be easily recognized by others. Such findings highlight a fast evolution of Chinese consumers, who only in 2008 would have found in the good quality of luxury products a sufficient pusher to make the purchase. Moreover, as a considerable part of luxury brands in China is composed of foreign companies,

a common reason to purchase is linked to social value through the communication of cosmopolitanism and interest in Western lifestyle (Gao et al., 2009).

1.5.4. Brand fanaticism

As a matter of fact, Chinese generation Y is similar to the Western counterparts in many aspects: tolerance, openness of mind, large use of technology are some common features. Some act as trendsetters, others prefer to buy brands which help them to show their personality, independence and the values they believe in. However, Chinese generation Y seem to have developed in some cases an extreme attachment to brand-name luxury products, which creates a discrepancy with the international peers. Such obsessive behavior and desire for ownership of brand-name products is identified as 名牌控 *míngpái kòng* (MPK) and reflects a fanatical brand-worshipping behavior which determines an overwhelming enthusiasm, excitement, and loyalty toward a brand. Such widespread phenomenon finds its origins in the context of the "One-child Policy" they grew up in: without other children to take care of, the parents of the generation Y devoted all their attention and care to their only child, whose requests were satisfied since the early ages. Brand-name products were the most common gift parents used to reward their little emperors and empresses for every little success achieved during their life. Some of the young Chinese consumers grew up with a constant desire to be surrounded by brand-name products and even those who still live with their parents without a job to afford luxury purchases, managed to achieve a wealthy status sponging on the family resources. MPK is strongly related to brand consciousness, product awareness, brand knowledge; the purchase is pursued to obtain a status and not for a functional benefit. Chinese generation Y consumers with MPK are more likely to make choices in order to build 关系 *guānxì* (a network of personal relationships) with the group of peers they admire. They pay attention to the social meaning carried by brands and tend to conform to the choice of the group in terms of brand-name products (Chan & Wang, 2015). In making a gender evaluation in relation with MPK, it has to be underlined that despite women in modern China are receiving more support to pursue high education and professional independence (Barber, 2013), men have a greater

income and seem to be keener to brand consciousness and choices which may lead to MPK (Dabholkar & Sheng, 2009); supposedly because of a lower income, the bound between brand consciousness and MPK appears to be weaker for females, instead (Chan & Wang, 2015).

1.5.5. *Changing attitude toward luxury brands and reasons to buy*

Along with the most recent economic and political changes, China is experiencing a substantial transformation in both attitude and intention toward the purchase of luxury goods, as a direct result of a new and incredibly fast modernization (Zhang & Kim, 2013). Consequently, Chinese consumers are showing some peculiarities in their approach to luxury, which contribute to increase the divergence with consumers from other countries and more mature markets.

1.5.5.1.   The role of emotions and the effects on purchase intentions

The way consumers express and present themselves are two main elements in defining the purchase intention towards luxury: consumers with a self-expression orientation would be more likely to buy products which are consistent with their values and beliefs, while self-presentation acts as a motivator to the extent that luxury purchases are required to express prestige and social status (Wilcox et al., 2009). Stressing the emotional and affective side of the possession and use of luxury, self-expression and self-presentation exert a positive impact on consumer's attitude toward luxury brands.

The role of emotions in enhancing the purchase of luxury goods is certainly of great importance: as social-function attitudes impact the affective attitude and purchase intentions towards luxury brands, young Chinese consumers are found to purchase luxury brands when there is consistency with both their beliefs and social image (Bian & Forsythe, 2012).

1.5.5.2.   Materialism and uniqueness

A research conducted by Zhang and Kim in 2013 found a relation between brand consciousness, materialism, social comparison, fashion innovativeness and fashion involvement, and the purchasing intention of luxury products in China: Chinese consumers enhance brand consciousness by comparing themselves to people they admire, and by giving higher value to the brands they own. Additionally, the characteristic expensiveness makes the product more attractive and the consumer who makes the purchase is consequently perceived to have a higher status.

Materialism concerns the importance given to possessions and is related to the purchase of luxury goods in China to the extent that it focuses on individual hedonic feelings which increase the social reputation and perceived wealth of Chinese consumers. In light of that, social comparison appears to have a key role in influencing luxury purchases in China: consumers constantly feel the need to confront with others in order to define themselves, and comparison not only with friends but also with celebrities determines a mechanism through which consumers want to buy what their idols own. The imitation of celebrities is a way to feel more confident when choosing products to buy, but another element to be considered is the comparison with a group of people the consumers admire and want to be part of.

Chinese cosmopolitan consumer's luxury preferences are also the consequence of the degree of *fashion involvement*, which refers to the importance given to fashion in his life. Consumers with high fashion involvement tend to make purchases earlier than others and are more active in catching new trends.

Lastly, *fashion innovativeness* is considered to be another key element: defined as the openness to new ideas, products, or services, and the desire to embrace them sooner than other members of the community, innovativeness has a strong correlation with high income, education, and social mobility. Fashion innovators possess a strong brand awareness, give more value to their appearance, and have a higher need for uniqueness. Thus, fashion innovativeness is related to Chinese consumers' purchasing behavior towards luxury products.

In particular, the innovative side of fashion is increasingly amusing the modern Chinese youth, with a fine taste for fashion and willing to discover unique items (Zhang & Kim, 2013).

1.5.5.3.   Conspicuousness

Consumers all over the world have been gradually changing the perception of luxury, embracing the new trend of inconspicuous consumption (Makkar & Yap, 2018). Luxury is not used to show social status and wealth anymore, but rather an emotional journey which involves the *self* in all its aspects and only few people can enjoy. Meaning and identity have become a fundamental part of the whole experience of luxury, which is increasingly related to personal development and comfort. Therefore, luxury is perceived as both a reflection of the self and a way to distinguish from others.

International luxury brands are acting accordingly: the old-fashion monogram print is being substituting by more subtle logos which enhance the product more than the brand, in an attempt to create a more sophisticated environment suitable for the changes in taste of the modern consumer. In fact, to give an example, brands like Louis Vuitton and Gucci have been limiting the use of the classic monogram for its products preferring a subtler logo; also, Tiffany&Co has lunched the new collection with a smaller and more discrete logo, opposed to the classic one.

In the wake of the global switch to inconspicuousness, China seems to buck the trend. Due to the strong cultural heritage and the more recent contact with luxury compared to more mature markets, for Chinese consumers conspicuousness is an important aspect of luxury consumption, still related to the desire to show personal success and obtain social recognition (Grier et al., 2016; Makkar & Yap, 2018).

1.5.5.4.   Willingness to pay

Chinese consumers differ from their international peers in many aspects of the decision-making process which lead to the purchase of luxury goods. Due to the different environment, factors positively related with the willingness to pay a premium price for luxury brands differ as well. Specifically, the phenomenon of counterfeit luxury goods is a serious threat to luxury brands in China, because it affects the propension of consumers to spend more money on a product when they can have an incredibly similar (almost identical) one for less (Jiang & Shan, 2016).

Chinese consumers' willingness to pay a premium price for luxury products is certainly the result of both marketing and manufacturing factors; however, the previous experience with a genuine or counterfeit luxury product exerts the strongest influence on the decision-making process. When consumers with a previous experience with only counterfeits or with both originals and counterfeits perceive less price promotion and a high-quality gap between original and counterfeit products, they would be more prone to buy the genuine product. The same happens when the product is manufactured in the country of origin of the brand, since it would give the perception of superior craftmanship; when the brand's strategy does not include a price promotion, but the product is difficult to produce, the feeling of exclusivity and for the elite is enhanced. On the other hand, for consumers with a past experience with only genuine luxury goods, apart from a low-price promotion, product innovation and an exclusive environment are relevant marketing factors related to the purchase of originals, along with the belief that original products are hard to produce, which increases the perceived quality of genuine goods and fosters the purchase.

Apart from the influence of counterfeits, researches show that also fashion lifestyle and perceived value have a strong relation with the willingness of Chinese consumers to pay a premium for luxury fashion brands. Findings from a research conducted by Li et al. in 2012 underline that while China does not differ from other countries in the dimension of fashion lifestyle, the Chinese consumer shows peculiarities in terms of perceived value. *Social/emotional*, *utilitarian*, and *economic value* are identified to be the three basic dimensions. Moreover, consumers taking into high consideration the practical side of fashion,

in terms of necessity and comfort, show even a greater willingness to pay for luxury products. Lastly, in China another element having an incidence on the willingness to pay is the prior purchasing experience of the consumer: social/emotional and utilitarian values mainly affect consumers which had only authentic luxury fashion brand experiences; the link between brand prestige lifestyle and perceived social/emotional value has a powerful influence on consumers with a previous experience with counterfeit luxury fashion brands; the role of perceived economic value prevails, instead, in consumers without a luxury fashion brand experience of any kind (Li et al., 2012).

Chapter II

Western luxury brands' digital communication strategies in China

2.1.   Growth of the world's leading luxury brands and their expansion in China

Despite the worldwide economic downturn of the recent years, the luxury sector has been consolidating its growth. The market growth rate reached 4% in 2016, and Italy and France confirmed their position as leading countries in the luxury market, the former for number of companies and the latter for the highest share of sales. Accessories have been the largest segment from 2010 to 2015, with handbags and shoes growing steadily (2%) in 2016; the beauty category grew of 4% (especially in Asia and America) from 2015 to 2016, while in 2016 cosmetics and fragrances made up together the sector characterized by the highest sales growth (7.6%) for luxury goods. Furthermore, the whole industry showed an impressive rise in annual sales, reaching US $1 trillion at the end of 2017; such growing trend is expected to continue in the following years (Bain & Company, 2016; Deloitte, 2018).

The fifth Global Powers of Luxury Goods (Deloitte, 2018) revealed that among the world's 100 biggest luxury companies, almost one-third experienced a higher growth in terms of sales in 2016 compared to the previous year; 57 companies increased their sales of luxury goods and 38.6% of them showed a double-digit growth. Even though some of the luxury companies from the top 100 suffered from a decline in the previous year, performances in 2017 showed positive results.

Specifically, the LVMH Moët Hennessy- Louis Vuitton SE group (including Louis Vuitton, Fendi and Bulgari among other brands) happened to be the major winner with luxury goods sales of US $23,447, total revenues accounting for US $41,593, and a growth of 5.0% in terms of luxury goods sales. The American The Estée Lauder Companies Inc., the Swiss Compagnie Financière Richemont SA (Cartier, Montblanc, Chloé etc.), Luxottica Group SpA for Italy, and the French company Kering SA (Gucci, Bottega Veneta, Saint Laurent, Balenciaga etc.)

follow LVMH, and together were reported to be the five strongest companies in terms of luxury goods sales.

As for sales growth, the year 2017 showed positive trends, especially considering the massive growth of LVMH (accounting for 17.2%), and Kering (reaching 27.5%) in terms of luxury goods sales; Estée Lauder and Richemont reported higher growth rates, too. The general growing rates which have been characterizing luxury companies seems to have a strong connection with the development of non-Western markets, where the major luxury brands have been implementing innovative investment strategies (Deloitte, 2018).

In fact, half of the global purchases of luxury products for personal use are made by customers from emerging countries (Kapferer, 2015). Asia, Middle East, Latin America and Africa are becoming powerful markets Western brands are leveraging on to strengthen their position globally. However, in such a different context, traditional business strategies need to step back and leave space to update and more dynamic approaches, mainly focused on innovative technologies capable of attracting the modern hyper-connected consumer (Deloitte, 2018).

As for China, the luxury market has been growing steadily in the past years: between 2007 and 2014 China experienced a growth of 19%, and despite a slight decline in the following three years, the year 2016 showed a rise to 4% (Bain & Company, 2016). In addition, the share of the region including China, Hong Kong, Macau and Taiwan (also called "Greater China" region) rose to 14% in 2014, reaching 37% from the previous 23% (Theurillat & Donzé, 2017).

After Italy and France, China is, in fact, the fourth largest market for personal luxury products, accounting for €15.3 billion; luxury cars and hospitality, fine food and designer furniture are also increasing their positioning among Chinese consumers, which are more willing to spend money in these sectors (Bain & Company, 2016).

As a matter of fact, 83% of the Top 100 luxury goods companies and 90% of the Top 100 global luxury goods sales in 2016 were made by France, Germany Italy, Switzerland, the UK, the US and China, as the only Asian country. Even though companies based in China experienced a downturn for three years in a row until 2016, the jewelry and watches sector

was profitable, confirming China, along with India, as the biggest market in the worlds for luxury jewelry (Deloitte, 2018).

The other side of the coin is that while such exponential growth of the luxury market in China allows acceptance and popularity of Western luxury brands, on the other hand, both China and Chinese consumers seem to be ready for the creation of new Chinese luxury brands (Degen, 2009). As some Asian companies already did, Chinese luxury brands need to fight the well-established stereotype of Asian products as cheap, and build a strong global image leveraging on the millenary cultural heritage. Thus, Chinese luxury brands are expected to make strong investments in and outside China and become direct competitors of Western luxury brands.

As a matter of fact, the rapid economic development has determined higher living standards of the Chinese middle-class and the rise of affluent, which give a substantial contribution to the global market of personal luxury products (Bain & Company, 2016). As a result, the number of young and wealthy consumers able to spend money on luxury purchases is growing, leading to an increase of luxury goods spending in 2017, and the projections seem to be far from negative for 2018 (Deloitte, 2018). In fact, Chinese generation Y is expected to strongly contribute to the future growth of luxury market, estimated to reach €280 billion by 2010 (Bain & Company, 2016). Therefore, China is becoming a key country for luxury brands which are eager to strengthen their position globally, leveraging on the Chinese affluent consumers (Degen, 2009).

2.2. Retailing expansion: finding the right balance between new and traditional channels

During the last years, many international luxury brands are implementing a strong retail expansion in China. However, they need to face ongoing challenges in order to win the Chinese market; therefore, along with innovative business models, specific entering strategies should be kept into great consideration. Furthermore, the Chinese government can be a

strategic ally, but also a dangerous enemy for foreign companies: the anti-corruption crackdown launched by President Xi Jinping in 2013 and the resulting loss of 30% for the spirit and watches industries provides an evidence of that (Kapferer, 2015). Indeed, the current positive attitude of the Chinese government toward luxury industry provides a considerable incentive to luxury brands willing to enter the country through online and offline retailing strategies; this is the reason why China is a complex environment in which the economy is strongly affected by political decisions conditioning not only the country itself, but also the strategies of foreign companies.

Considering the complexity of the market as a distinctive feature, along with a strong geographic and cultural distance, luxury fashion brands willing to enter China should carefully choose the most suitable entry strategy. For this reason, a simple replication of low-cost and low-control strategies already adopted for the more acquainted Western markets has often been offset by a high-cost and high-control entry mode, giving luxury fashion retailers full control over both brand and business activities in China (Bai at al., 2017).

Degen (2009) suggests that a complete understanding of the Chinese affluent segment is a necessity, and a winning strategy could be the creation of 100%-owned stores in luxury shopping areas within the chosen cities, while implementing a brand awareness building process. However, entering strategies of the leading luxury brands give evidence of the fact that cooperation with local distribution channels plays an important role in China. Because of administrative issues and the lack of a distribution system in certain areas of the country, distributors have an important role in China's more developed areas, while sub-distributors and agents are crucial to reach secondary regions (Hu, 2018b).

Brands like Louis Vuitton, Zegna and Cartier started creating a joint venture with a local distributer in order to gain knowledge of the market from the inside, choose proper distribution networks, and create brand awareness leveraging on Chinese media; instead, letting a local distributer completely manage the whole distribution process was the choice of Givenchy and Valentino among others, which gave up on the exclusive control of the brand image and communication in the Chinese market in order to benefit from local knowledge and low investment costs; lastly, for luxury brands the market is not familiar with, the best choice

would be also to rely on a local distributer and let the latter set up stores in order to gain popularity and acceptance among the wealthy middle-class.

Following the first expansion wave of international luxury brands in China and other emerging countries characterized by the collaboration with local distribution channels, the creation of a vertical distribution web and retail networks through which companies could gain a more direct control of distribution channels, was the real winning move (Theurillat & Donzé, 2017). Many luxury fashion companies showed a new tendency toward the adoption of multiple methods, including also the Internet and e-flagship stores (Bai et al., 2017). In fact, some of the major luxury watch companies, like the Swatch Group, Richemont and LVMH, collaborated with local retailers until the early 2000s, but afterwards they decided to manage directly the retailing channels in China and other Asian country in which the influence of Chinese consumers was growing, namely Hong Kong, Taiwan, Singapore, Malaysia and Thailand. The decision to invest in big real-estate projects and build shopping malls was of key importance for these companies (Hu, 2018b).

Specifically, the brand Cartier experienced a considerable development in the Asian market, as the result of a centralization process enacted by the group Richemont, which become a wholly owned subsidiary in Asia, for the access to shopping places. Giving more space to single brands, such strategy allowed Cartier to expand the sales network and acquire a strong bargaining power. The strategy implemented by the conglomerate Moët-Hennessy Louis Vuitton (LVMH) consisted of the internalization of the real-estate function: in fact, it controls investment companies in partnership with Chinese and Asian property developers. In 2015, Bulgari (a LVMH company) had 44 stores in Greater China, 28 more than the stores in US (Theurillat & Donzé, 2017). The cooperation with Chinese investors helped the firm to open over 40 outlets in China, and the creation of joint ventures allowed the company to implement new shopping mall projects in Asia. Thus, offline retailing strategies in general, and shopping malls in particular, are still the channel luxury companies mostly depend on in their development in China, and the cooperation with local retailers is a necessary step.

In such context, Hong Kong has been playing an important role in helping the retail expansion of Western luxury companies in China, considering that some Hong Kong companies are specialized in building luxury malls and have already a solid relationship with the Chinese

government, which allows them to build a retailing network in first and second tier cities, such as Beijing, Shanghai, Chengdu and Chongqing. In fact, the main advantage foreign luxury brands gain by the cooperation with developers in Asia is to have access to countries with governmental restrictions to direct foreign investments in the real estate sector, and directly understand the local market by exploiting the knowledge these developers already have.

The application of direct retailing has gained popularity in China, because capable of satisfying the need for a better management of the brand overseas. However, it is more likely to be suitable for well-known luxury fashion brands: when the market lacks brand awareness and the firm is smaller and independent, the alternative option of a local partnership (with a resulting reduction of control for the brand) seems to be considered the most (Bai et al., 2017).

2.2.1. Distribution trends

In planning their expansion strategy in emerging countries, luxury brands need to consider the maturity of the market and the knowledge consumers have of the brand (Kapferer & Valette-Florence, 2018), organizing their distribution network accordingly.

Generally, distribution trends show that the wholesale channel is the largest one, whereas retail is growing at an expansion rate of 11% since 2008. The dominant formats are still monobrand stores, department stores and specialty stores, accounting for 74% (Bain & Company, 2016). Also, in China, store-based retailing is still the preferred distribution channel, as it allows consumers to have a more direct contact with products, and facilitate the decision-making process leading to the purchase (Deloitte, 2018). Also, luxury brands stores in Europe and United States are the preferred purchasing channels of Chinese tourists abroad, considering that Chinese affluent and middle-class consumers are increasingly travelling during holidays and are expected to spend on average CNY9,800 each during the stay abroad (Euromonitor International, 2018).

However, off-price stores, airport stores and e-commerce are growing as distribution channels. Specifically, off-price stores are spreading in Asia and North America, and represent 11% of

the market for personal luxury goods. The growth of airport stores (6% of the market) also depends on Asian customers, considering that Chinese tourists travelling are key consumers for the luxury industry worldwide (Bain & Company, 2016; Deloitte, 2018).

The market for online goods showed a substantial growth of 13%, and online sales for personal luxury goods reached a pick of €19 billion in 2016 (Bain & Company, 2016). The majority of online shoppers live in top-tier cities and are young urban Chinese. Cross-border online shopping is strong too, mainly operated by an older segment of the population interested in beauty products and popular items (Euromonitor International, 2018). In the end of 2017, online shoppers reached the number of 533 million, with an increase of 14.3% from the previous year (CNNIC, 2018).

Beauty products, ready-to-wear and accessories are the biggest categories of luxury products bought online, especially by young consumers looking for more affordable luxury goods and consequently more prone to make online purchases (McKinsey & Company, 2018).

Overall, major luxury companies have already been exploiting the advantages provided by technologies and have been implementing a retailing model which combines online and offline channels, namely *omnichannel*. The latter has the strongest potential in countries like China, where digital technologies are growing fast, yet consumers still want to live the engaging experience that only physical shops can provide (Hu, 2018b).

2.2.2. *Advantages of omnichannel*

Despite the development of digital technologies, physical channels shouldn't be replaced by digital ones, but it is important to keep a balance and create a constant relation between online and offline channels (Blázquez, 2014). As Chinese consumers highly value the experience of going to the store of luxury brands and be spoiled with many attentions and detailed explanations of products, for foreign brands, flagship stores are still relevant to communicate a brand experience and implementing an omnichannel strategy seems the more responsible choice (Hu, 2018b). An example could be the possibility to purchase a product online and go

to the store to pick it up or change online a product bought offline without going to the same store again.

Using digital technologies, the management of omnichannel connections is easier, and gives brands more opportunities to attract customers. Luxury brands are exploring the potential of such new and powerful media in order to promote their ability to provide a unique experience to clients. In this direction, Burberry has made great efforts to exploit technologies in order to increase its positioning on the market, for example working on the use of digital merchandising in stores to provide additional value through the in-store experience (Kapferer, 2015).

Burberry is the first luxury brand which has showed intentions to exploit the power of digital technologies to create unique experiences for the customers. The brand enacted those intentions managing to reposition its perception in the mind of consumers and becoming appreciated among the youngest segment of consumers. The decision to create a mix between live models and holograms for a fashion show in Beijing in 2011, and the consequent upload of all the videos on YouTube to allow all the brand's fans to watch the show from home is the proof of a strategic use of social media and new technologies to attract young consumers and rejuvenate the brand's positioning (Phan et al., 2011). Furthermore, in 2009 Burberry created an original social networking site, named "Art of the Trench", a platform in which clients can post pictures wearing the brand's most famous item and share their stories.

The U.S. luxury brand Coach is another brand which succeeded in enhancing its image among Chinese consumers through a wise use of e-commerce and social media. As a matter of fact, the creation of an omnichannel and the ability to invest in its online store while being active on different social media at the same time made Coach the first choice of the new Chinese generation Y. In order to build knowledge about the brand, Coach used social media to present both brand and products, also through interactive games. In addition, the choice of providing online exclusive sales promotions had positive effect on enhancing the financial value of the company, while linking posts on Weibo directly to the online store not only can immediately give customers information needed about products they find interesting but makes also the act of purchasing much easier (Ng, 2014). The integration of a variety of channels on different levels allows brands to build their communication on an omnichannel basis and create a

dynamic way to interact with consumers, enhancing brand value and equity at the same time (Hu, 2018b).

Last but not least, in the context of digital innovation it is important to underline how Chinese technologies are being used also by the major brands. In fact, even if still a developing country, the progresses which have been made so quickly in the digital field have been gradually giving China the relevant role of global source of inspiration, replacing the image of copy-cat country of the last decades (Hu, 2018a). Therefore, brands should soon start looking at Chinese digital environment first, if they want to acquire a competitive advantage and win the Chinese market.

2.2.3. The impact of digital technologies

Even though Chinese consumers still seem to prefer traditional retailing channels, such as physical stores, the growing segment of millennials is the main reason why online sales of luxury products are rising in China, and the use of digital technologies has already become a strategic tool for some of the largest luxury brands (Deloitte, 2018). In fact, in the end of last year, overseas Internet-listed companies, together with domestic enterprises, were 102 and had a market value of CNY8.97 trillion (CNNIC, 2018).

One of the advantages of online retailing platforms includes the possibility to reach a wider geographic area, which is not possible using only physical stores, and considering the extension of the Chinese boundaries, this happens to be the greatest benefit (Hu, 2018a).

E-commerce is capable of providing consumers in third or fourth tier cities a variety of products which before only first tier cities inhabitants could have. Now, instead of driving for hours to reach the main shopping malls, Chinese can purchase what they like in the least amount of time. Online platforms like Meiligui and meili.com have been the first to sell luxury products in China, or big providers such as Alibaba, Tmall and Taobao among others, have helped brands with the creation of online retailing spaces during the last years (Hu, 2018a). In fact, China is the first world market for e-commerce (CeSIF, 2018), with Alibaba and Tencent

being the two major Internet players (Abacus, 2018): online retailing sales reached CNY7.18 trillion in 2017, making up 15% of the total retail sales concerning consumer goods (CNNIC, 2018).

In some developing countries like China, the first exposure to the Internet happened through mobile devices, and Chinese consumers (generation Y in particular) have developed a strong personal attachment to portable devices and mobile phones, which have quickly become the first choice to meet the need to search information and buy products. In fact, while activities as sending and receiving emails or music are mainly linked to computer usage, users prefer smartphones to visit or update contents on social networks, play games and share media contents (Euromonitor International, 2018). The intrinsic ease of use of mobile phones, allowing the new generation to be connected everywhere and every time, generates a constant flow of contents to be red and news to be discovered, as well as a high dependence on such devices. The favorable attitude of Chinese consumers toward mobile devices has determined a positive perception of mobile marketing as an innovative and useful channel (Gao et al., 2013). Even though Chinese society is influenced by collectivism at all levels and the related risk avoidance could negatively impact the use of mobile marketing, the ease of use and personal attachment of young consumers toward mobile devices are relevant pushers in shaping the perceived usefulness of mobile marketing as powerful online medium, also in China. In such context, social media are an efficient tool for brands which are willing to enter China as they enable consumers to talk about products, make reviews and recommend them to friends directly from mobile social networks.

Moreover, digital channels acquire importance for brands which are approaching the Chinese market for the first time. While in the past brands needed to have the support of Chinese agencies and obtain the legal entity to open an official account, now brands can count on digital channels as a safer way to reach China and avoid all the risks linked to the opening of physical stores as the first step. As Chinese regulations on foreign brands can be an obstacle for a direct access to the market, the digital channel has many advantages concerning not only the low entry costs, but also the ease of entrance per se. The approach through a digital channel can be also considered as a trial for brands which are evaluating their strategy in China, allowing them to evaluate the market without an initial investment in terms of capital,

as required by more traditional channels (Hu, 2018a): first, they need to create an official account and obtain a business license in China with the help of a trusted partner. Especially on social media, obtaining a verified account is the only way brands can reduce the phenomenon of fake accounts and guarantee both authenticity and credibility of the brand.

Regarding the luxury sector, in accordance with the preference of Chinese consumers for monobrand websites (McKinsey & Company, 2018), initiatives performed by single brands in terms of digitalization process made the major difference. For example, the Italian brand Gucci managed to integrate its online and in-store brand experiences creating an omnichannel worth a growth of 86% of the brand's ecommerce sales and 42% of the total sales. The launch of a new website in 2016 was followed by the creation of online stores in China and other relevant markets in 2017, and digital campaigns for the spring 2018 collection. The brand has been perfectly capable of creating innovative and dynamic strategies to deal with the hyper-connected modern world and amuse the new segment of young consumers, bravely approaching the Chinese market other than more familiar ones.

Marketing strategies linked with digital channels have been implementing also by LVMH, which joined a rising in sales (5%) thanks to such innovative approach: this is visible especially in artisanal and luxury fragrances sector, in fact online sales account for 11% of their total net sales. Social media initiatives were a winning move also for Saint Laurent, contributing to an increasing by 22% of the online sales of Kering in 2016 (Deloitte, 2018).

2.2.4. *Disadvantages of online retailing channels*

Luxury brands implementing new strategies linked to e-commerce and online marketing in China, sooner or later need to face the problem of online gray markets, defined as unauthorized online distribution channels which sell products of a certain brand (Zhao et al., 2016). Such phenomenon is widely spread in China and could become a serious threat if not managed properly. The recent spread of e-commerce in emerging countries allows sellers to make profit from online grey markets reselling products imported from the original country at

a high price and obtain consistent revenues. In China, the largest platforms linked to such practice is Taobao.com, the Chinese version of Amazon, Alibaba and JD (Hu, 2018a). On Taobao Marketplace customers can buy fashion items, food, electronic devices, books, etc. In 2009 the annual transaction volume of Taobao Marketplace reached CNY208 billion, while in 2012 the users registered to the platform exceeded 500 million (Zhao et al., 2016). Impressive numbers come also from Tmall, the biggest platform linked to Alibaba, which in 2017 registered transactions for 22 billion Euros only in the 24 hours of the Global Shopping Festival (CeSIF, 2018).

As online gray markets have low entry barriers (no costs are required to a seller to start a business on Taobao.com) and can easily reach a large number of consumers, they can have a negative impact on brands in the original country and in the export one, especially when the product range is limited, and the price gap is high. However, Zhao et al. (2016) suggest that brands can contain this phenomenon, acting on the availability of products and prices. Product popularity is a variable on which brands can rely if they want to both reduce the chance online gray marketers have to forecast customers' preferences and acquire more prestige if brands differentiate the styles and limit the quantity of products exported in foreign countries.

However, an obstacle to the reduction of such phenomenon is also provided by the passivity of Chinese big e-commerce platforms, which obtain a percentage on the sale of products either they are original or counterfeit. Recent scandals linked to the sale of fake products on such retailing channels have mostly impacted foreign luxury brands, resulting in a reduction of online credibility (Hu, 2018a).

Another potential downside derived from the large use of social media by brands is provided by negative news created to harm companies and the possibility of becoming viral (Chiu et al., 2012). Brands should try to understand if the information is generated by competitors or consumers and manage the threat properly.

Furthermore, brands' official social network accounts need daily updates and ongoing interactions. Thus, low posting rates and a casual management of the social network site could damage the image of a brand, along with the fact that the brand can miss great opportunities created by the value creation advantage offered by social networks. It is important for the

brand to control directly social media platforms and the contents they create, in order to protect brand equity and ensure brand consistency (Phan et al., 2011).

For all these reasons, establishing a high level of credibility on online retailing platforms can be hard, especially for luxury brands which constantly deal with the problem of fake brand accounts on social media or non-official online selling channels (Hu, 2018a). However, avoiding the official online presence is not the best choice in China, because often luxury brands' products are already sold by unauthorized online retailers beyond the direct control of the brand; therefore, for Western luxury brands the choice of going online in China in the majority of the cases means to take official control over online platforms already existing.

Due to the widespread phenomenon of counterfeits, establishing a strong brand awareness among Chinese consumers both online and offline can certainly be hard, but luxury brands more than others need to implement an omnichannel approach which would strengthen the brand image and credibility on all fronts.

2.3.   Advertising strategies of luxury brands in China

As a result of the rapid development of social networking in China and the growth of a young generation of hyper-connected Chinese, the switch from e-commerce to *m-commerce* has been a spontaneous consequence (Kapferer, 2015). In fact, as almost 80% of Chinese households have a smartphone (Euromonitor International, 2018), users tend to use them for the majority of online activities, including access to social networks, surfing the net and looking for products. Data usage related to mobile phones experienced a growth of 10% in the last year and accounts for 60% of the total data usage (CeSIF, 2018).

As a matter of fact, social media provide online advertising platforms for luxury brands to implement their communication strategies in China, and a great part of the revenues of the major Chinese social media comes from online advertising services offered (Ng, 2014). Now it is possible to advertise directly on social media: for example, on Wechat moments users frequently see ads of different products, and a growing number of brands have been

developing advertisements using social media, along with more traditional channels (Hu, 2018a).

It is important for advertisers to consider the cultural specificity of the country in which they decide to invest (Yu et al., 2017). The collectivist or individualistic orientation of consumers within a specific market is capable of affecting also online advertising practices implemented by luxury brands.

Targeted ads are a kind of digital advertising format aimed to the display of messages for consumers based on the collection of their preferences. In particular, behaviorally targeted ads, which concern the consumer behavior showed by the type of search or the browsing history conducted online, seem to have positive effects on luxury goods. Data collected from the pages visited by users, the time spent on each website, or online purchases, are relevant sources of information which can result in ads created *ad hoc* for each consumer. Such practice happens to be particularly effective in individualistic countries, where consumers pay attention to their individual preferences and attach great value to their unique taste. On the other hand, in collectivist cultures people tend to follow the preference of the collectivity and make choices in relations to who belongs to the group of reference; often, they are skeptical about the online disclosure of their personal preferences. This is the reason why, in order to successfully advertise in China, marketers should focus more on the cultural orientation of consumers and try to understand what values need to be emphasized to attract the targeted market (Yu et al., 2017).

Reaching the impressive number of 300 million people, Chinese consumers aged between 20 and 30, show the unique feature of simultaneously being a collective and an individualistic group (Moore, 2005), express the desire to differentiate along with the need to feel part of the broader dimension of a group, and balance an international push with an attachment to Chinese values. The heirs of the One-child Policy are visibly different not only from the older Chinese generations but also from the Western peers: Chinese Generation Y consumers are creating a brand-new attitude toward luxury and international firms, because capable of rebuilding it in the light of their unique cultural background (Li et al., 2012).

When pursuing opportunities in China, luxury brands must understand the complexity and the potentiality of this young yet unbelievably powerful generation of consumers. In order to develop effective advertising and communication strategies, brands should stress the quality, the authenticity and timelessness of a product, in line with consumers' interest in storytelling and brands (CeSIF, 2018).

The key role of the Internet must be taken into account, too: the sense of creativity of the young Chinese could be met by offering the opportunity for interaction and co-creation through online platforms and social media. Traditional forms of advertising and promotional strategies can be relevant if emphasis is given to social status, recognition and acceptance by the group; however, in terms of online networking sites, opinion leaders and fashion experts are found to exert a strong influence on the new generation of consumers; therefore, a promotion strategy involving celebrities and KOL would lead to an increasing awareness and desire to purchase. Lastly, the degree of social responsibility of a company is a factor that a growing percentage of young Chinese is taking into account, looking more and more for socially responsible brands (Ngai & Cho, 2012). As an example, Starbucks is a promoter of both quality and social responsibility in stores and on social media (Chiu et al., 2012).

The strong development of m-commerce in China has resulted in a massive presence of ads popping out of portable devices in any place and at any time. A study by Xie et al. (2013) on Chinese college students points out the necessity to make adjustments to such new type of advertisement. The young segment of consumers seems to be more attracted from a bigger size of ads showed on the screen, because it would make the user feel more excited and show a positive attitude toward the advertised product; the characteristic of ubiquity of the ad has exerted a positive effect on consumers, too. On the other side, the more complex the ad interface is, the harder it would be to increase consumer's interest for a product. Apart from the creation of mobile-friendly advertisements, the ability to create emotional connection with consumers is the most valuable element in the context of mobile advertising in China. As an emotional response to a mobile ad can be considered a predictor of future purchasing intentions, brands should stress the emotional aspect of the ad in order to elicit a direct response from consumers and increase the willingness to purchase the advertised product.

The growth of online and social media advertising in China has risen the question of credibility compared to traditional advertising channels (Zha et al., 2015). Web advertising seems to keep a strong bound with the corresponding non-web advertisement, however the more inconsistent nature of the Internet can be a deterrent for credibility transfer from one channel to another. Such tie is found to be a promoter for the development of a positive attitude of consumers toward online ads, especially when the tie is considered strong by consumers; this way, non-web advertisements would have a stronger impact on online ads, which would be positive if consumers already had a positive perception of the traditional advertising.

When it comes to the formation of the attitude toward an online advertising, not only credibility is important, but also the dimensions of informativeness and entertainment, which refer respectively to the utilitarian and hedonic aspects of communication. Web advertisements are considered to be particularly suitable for conveying these two dimensions: a utilitarian experience can be enhanced by providing useful and detailed information on websites; media and video advertising formats can be used to provide entertaining, thus hedonic, experiences to consumers.

Zha et al. (2015) point out that new online advertising channels still need to be tied to traditional advertising ones in China, since both are capable of affecting consumers' perception of products and brands through the credibility they attach to the advertisement. However, when traditional channels are not effective, advertisers should consider online advertising and reduce the tie they have with traditional advertising; this way advertisers avoid the shift of lack of credibility from one format to the other.

Luxury is strongly influenced by the spread of digital technologies, and China seems to be a step ahead in this direction, even compared to the most developed countries (Kapferer, 2015). In fact, many luxury brands are experiencing such switch from traditional advertising to social media marketing (Phan et al., 2011).

Regarding luxury brand advertising in general, consumers' personality traits and the tendency to believe that they are more (entity theorists) or less (incremental theorists) fixed, is capable of influencing the effectiveness of luxury brand advertising; at the same time, a stronger

prominence of one of the two traits is linked to the degree of permeability of consumers to certain kinds of luxury brand ads (Kwon, 2016). Luxury brands seems to be generally more appreciated by entity theorists, who would respond better to the hedonic and symbolic appeal of luxury brands over the functional benefit. Furthermore, consumers' judgment of hedonic and utilitarian values promoted by luxury-brand advertising is strongly influenced by whether they believe that their personalities are malleable or not. Specifically, since the general symbolic orientation of luxury brand advertising has highly attractive power for consumers with an entity-theory orientation, luxury brands should carefully think at the values promoted through advertising in order to reach the targeted consumers, who have to be considered in relation to their specific personality traits.

According to the different values resulting from different purchasing experiences, marketers have a crucial role in defining the proper marketing and communication strategies: first, the intrinsic brand value needs to be emphasized; second, a counterfeit product experience could be offset stressing the social and emotional value in advertisings giving an image of a successful and sophisticated consumer; lastly, when the perceived economic value has a major impact on the willingness to pay, it would be better for marketers to incentive the purchase with sales promotions, at the same time stressing the high quality of the product and giving a satisfying customer service (Li et al., 2012).

2.4. Implementing brand communication through Chinese social media

In today's globalized and connected world, traditional advertising strategies are already becoming outdated; classic tv ads, pictures on magazines and in subway stations are leaving space to more updated communication channels capable of reaching a larger number of consumers (Hu, 2018a). This phenomenon is particularly relevant in some of the major markets and represents a reality also luxury brands have to deal with, in order to strengthen their position worldwide.

Specifically, social media are experiencing a rapid development and a growing popularity as online channel used by luxury brands to advertise (Kim & Ko, 2012). As trusted media among the user base, social media are becoming a powerful tool for luxury brands willing to reach quickly a large portion of consumers all over the world (Phan et al., 2011). In fact, social media exert both a direct and indirect influence on a brand's power, to the extent that not only brands can develop their own social media strategy, but they can also leverage on partners' social media position to increase their own (Kupfer et al., 2018).

It is clear that each country has experienced a different degree of development of social media and online media in general. In China, the potential of digital communication can be actualized only considering the different digital environment and specific online platforms, mainly based on the widespread use of mobile devices (Chu et al., 2018).

China, with a population of 1,4 billion people, is the country with the biggest internet user base, accounting for 772 million people, and has the world's most active social media users (300 million people) which spend on the Internet and social media about 6 hours and 30 minutes from a computer and 3 hours and 26 minutes from a mobile phone, and 80% of them has more than one account on social media (CNNIC, 2018; CeSIF, 2018; Chiu et al., 2012). 73% of Internet users in China is represented by users from the biggest cities, where Internet penetration rate has risen of 7% from 2015; while in rural areas 209 million Chinese regularly use Internet in their daily life, with an Internet penetration rate of 37% (CNNIC, 2018; Abacus, 2018). Considering that Internet users in China include only 53% of the entire population, the potential of the digitalization process is still huge (CeSIF, 2018). As new online services are emerging, Chinese users can easily leverage on online media to communicate and actively share online information, this way contributing to enlarge the variety of Internet contents (Yu et al., 2011).
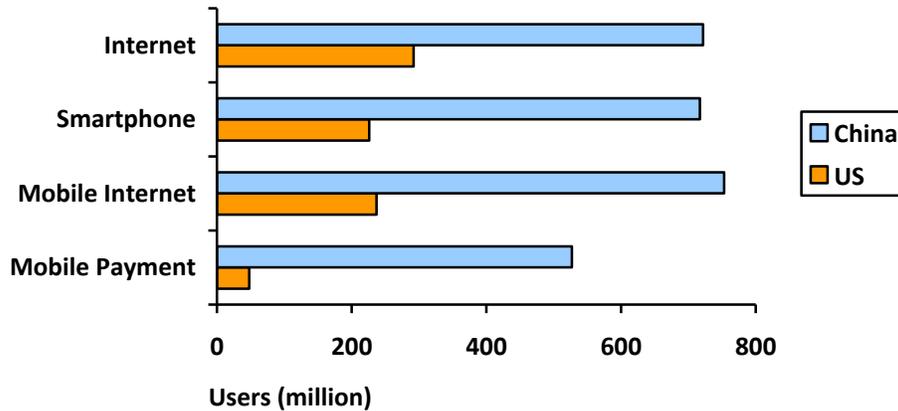
Figure 3. Penetration rates of digital technologies in China and US (adapted from Abacus, 2018)

Mobile technologies are flourishing, too: at the end of 2017 China registered 753 million of mobile Internet users, making up 97.5% of the total netizens (CNNIC, 2018). Such phenomenon is the direct consequence of the growing positive attitude of Chinese generation Y toward the use of mobile devices and digital technologies (Xie et al., 2013). Clearly, China is imposing itself has the most fertile environment for luxury brands who are implementing (or want to) online advertising strategies through social media.

Interestingly, social media have been proved to reduce brands marketing expenses and increase a cost-effectiveness promotion thanks to the creation of an integrated marketing communication using different social media (Ng, 2014).

However, the sector of social media in China today is far from homogeneous, considering that each type of social media has at least two major competitors with different strength, interests and priorities in terms of areas and users (Chiu et al., 2012). Therefore, the complexity of the social media environment in China is evident, and foreign brands should acquire a deep understanding of this reality to succeed.

2.4.1. Social media environment in China

The development of social media in China began in 1994 with the spread of online forums and communities, which rapidly switched to instant messaging platforms in 1999. The 2000 were the years of user review sites, blogs and the first social-networking sites with a chatting feature, finding in the creation of Renren (2005), the Chinese version of Facebook, a turning point (Chiu et al., 2012).

	Social Media	Chinese Name	Developer(s)/ Founder(s)	Logo	Foundation Year	Number of Monthly Active Users (MAU) in 2018	Type of service provided
1.	WeChat	微信	Tencent		2011	1 billion[9]	Instant Messaging; Online Payment
2.	Sina Weibo	微博	Sina Corporation		2009	411 million[10]	Microblogging
3.	QQ	QQ	Tencent		1999	806 million[11]	Instant Messaging
4.	Youku	优酷	Tudou		2006	Unknown	Online video platform
5.	Baidu Tieba	百度贴吧	Baidu		2003	300 million[12]	Online community

---

[9] https://www.statista.com/statistics/255778/number-of-active-wechat-messenger-accounts/ (accessed September 2, 2018)

[10] https://www.statista.com/statistics/272014/global-social-networks-ranked-by-number-of-users/ (accessed September 17, 2018)

[11] https://www.statista.com/statistics/272014/global-social-networks-ranked-by-number-of-users/ (accessed September 17, 2018)

[12] https://www.statista.com/statistics/272014/global-social-networks-ranked-by-number-of-users/ (accessed September 17, 2018)

6.	Douban	豆瓣	Yang Bo	豆瓣douban	2005	Unknown	Social network service; online music; movie and book database
7.	Zhihu	知乎	Huáng Jìxīn; Zhou Yuan; Li Shenshen	知乎	2011	Unknown	Knowledge markets; Q&A software
8.	Momo	陌陌	Tang Yan; Zhang Sichuan; Lei Xiaoliang; Yong Li; Li Zhiwei		2011	108 million[13]	social search; instant messaging mobile app
9.	Meipai	美拍	Meitu		2014	Unknown	Short video community app
10.	Xiaohongshu	小红书	Miranda Qu; Charlwin Mao	小红书 xiaohongshu.com	2013	30 million[14]	Overseas shopping tip app

Table 2. Leading Chinese social media platforms[15]

2.4.1.1.   Sina Weibo (微博)

Sina Weibo was founded by the Sina corporation in 2009, after the government blocked the access to Twitter (Yu et al., 2011). Sina Weibo is a Chinese social media platform similar to Twitter, because it allows the creations of short messages (up to 140 characters) and to follow other users (Duan & Dholakia, 2015). As in the Western platform, there are two kinds of accounts, common users and verified users; however, unlike Twitter, Weibo users can also

---

[13] https://expandedramblings.com/index.php/momo-statistics/ (accessed September 17, 2018)

[14] https://expandedramblings.com/index.php/xiaohongshu-statistics-and-facts/ (accessed September 17, 2018)

[15] https://www.dragonsocial.net/blog/social-media-in-china/#WeChat (accessed September 2, 2018)

post messages with pictures and videos. Sina Weibo provides also a list of 50 keywords that the tweets posted by users in the past hour include more frequently. Lastly, compared to Twitter, whose users tend to appreciate more contents related with global events and mew stories, in trends on Sina Weibo are mainly the result of the retweet of media contents (Yu et al., 2011).

Apart from the two main functions of information seeking and social networking, Sina Weibo can contribute to the professional development, to highlight the social status, to fulfil emotional needs, to express the unique personal style, and to provide other users useful information and advices (Duan & Dholakia, 2015).

Weibo is expanding rapidly, and it has overtaken Twitter in terms of user number: statistics report that in the first quarter of 2018 Weibo registered over 411 million monthly active users and 184 million daily users[16], compared to the only 50 million of daily active users and 10 million of new users Twitter registered each month (Yu et al., 2011). Over 50% of Chinese microblogging market is held by Sina Weibo, and apart from individual users, about 250,000 companies are registered (Duan & Dholakia, 2015).

Today, Sina Weibo's major direct competitor is Tencent Weibo (Chiu et al., 2012). However, Sina Weibo shows a higher level of interaction of users through retweets (Ng, 2014).

User profiles on Sina Weibo show the user's name followed by a description of the user, the number of followers and followed accounts, as well as recent tweets and retweets made by the user (Yu et al., 2011). The two types of user account include regular user accounts and verified user accounts, with the difference that the latter represent celebrities and organizations (governmental and commercial). Accounts linked to celebrities, sport stars, web influencers, have a red "V" icon which show that they are officially recognized as public figures in China. Institutional accounts (including brands' accounts) follow the same rational but are marked with a blue "V" icon to distinguish from celebrities' accounts.

Sina Weibo is considered a powerful mean of information propagation, due to the high number of retweets capable of rapidly diffusing what users find more interesting. Yu et al.

---

[16] https://www.investors.com/news/technology/weibo-reports-first-quarter-earnings/ and
https://expandedramblings.com/index.php/weibo-user-statistics/ (accessed August 5, 2018)

(2011) point out that along with verified accounts, non-verified users seem to have a strong influential power because of the frequent retweet of their posts by other unverified accounts: in fact, among the Top 100 trend-setters examined by the authors, verified accounts accounted only for 23%. This would explain why unverified accounts, and not media organizations, are the major trendsetters on Sina Weibo, becoming forums for the propaganda of information, as well as funny pictures, jokes and stories.

Interestingly, the most influential users have a wider follower base than followees, meaning that is in their interest to create contents in order to attract other users, rather than follow new accounts. Also, a large percentage of posts on Sina Weibo not only is made of retweets, but includes also images, videos and links, providing a useful insight on the importance of audiovisual contents to attract a larger user base.

In a nutshell, Sina Weibo's high penetration rate and the capability to attract young and wealthy users make it a key social media luxury brands can use to reach a wider consumer base in China and strengthen their position in the eyes of the young urban Chinese consumers (CeSIF, 2018). Ng's research (2014) on the use of social media by Coach in China highlights how Weibo contributed to strengthen identity and style of the brand (also leveraging on the power of celebrity endorsement), and positively influence online sales. For example, Coach dedicated a large amount of posts on Weibo to communicate the brand's history and craftmanship in what is seen as an attempt of transmitting to young consumers the culture of New York. At the same time, Coach communication was built in the respect of both Chinese culture and traditions, in fact the brand organized innovative activities on Weibo during the main Chinese holidays, aimed to expand the follower base and build audience (Ng, 2014).

2.4.1.2.   Wechat (微信)

Along with Weibo, WeChat is another relevant tool that brands can consider for their social media communication strategy in China. Similar to WhatsApp but more complex due to the possibility to post pictures, follow brands and magazines' pages, and even pay simply

scanning a QR code, WeChat, which is property of Tencent, has been experiencing a rapid growth: in 2012 the user base rose from 50 million to 300 million (Ng, 2014). Furthermore, WeChat Pay gives users the possibility to book services like taxi, restaurants and tickets, transfer money to other users and make both online and offline purchases (CeSIF, 2018). Such feature perfectly meets the recent habit of making online payments in China: users making online payments reached 531 million, while payments using mobile phones reached 527 million in the end of 2017 (CNNIC, 2018). Lastly, Mini Programs, which can be used directly from WeChat, are the most recent feature and brands are already investing in advertising (CeSIF, 2018). With the unique feature of combining different kinds of functions, Wechat is expanding rapidly also among Western users, especially after the launch of its English version (Duan & Dholakia, 2015).

Aware of the potential such social media can offer, including the possibility to open an official account as in Weibo, Western brands have already found ways to integrate WeChat to their communication: for example, for the American brand Coach, which approached WeChat in 2012, was crucial in helping the brand creating a more direct interaction with the follower base (CeSIF, 2018; Ng, 2014).
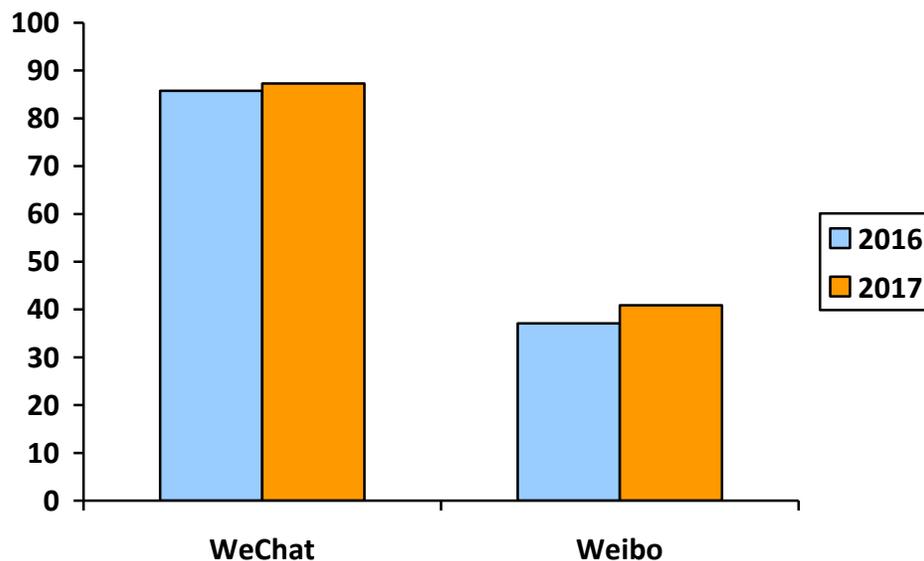

Figure 4. Percentage of Chinese users who declared to use WeChat and Weibo in 2016 and 2017 (adapted from CeSIF, 2018)

2.4.1.3.   Xiaohongshu (小红书)

One of the most recent social media platforms is the app Xiaohongshu, created as a combination of Instagram, Pinterest and Amazon. The initial purpose of this app was to provide overseas shopping tips, which could help travelers to have an idea of what to buy abroad before arriving in the country of destination. Today, Xiaohongshu is enriched by more contents and the service has turned into a community of people with a passion for fashion and shopping[17]. Users can post pictures of themselves wearing clothes, accessories or makeup products and tag these items with a link to the corresponding ecommerce listing in the platform. Xiaohongshu is widely used by online influencers to make product reviews and give suggestions to their followers (Abacus, 2018).

2.4.2. *The role of social media in reshaping consumer values*

Social media allow the creation of user-generated contents, including texts, pictures, videos, as well as the possibility to comment and edit existing contents. Each kind of social media focuses on a specific media type: on YouTube users can upload videos; Instagram is the leading platform to share pictures; on LinkedIn users can keep in touch with other people and connect with companies which provide job offers, etc. The non-geographical dimension of social media can be used by brands to create a global community of customers with which promoting activities and advertising products while keeping updated with the feedback of the followers (and potential customers) of the brand. In fact, a great advantage of social media is the direct communication between brands and consumers, to which brands shouldn't think as audience but rather an ally. This intrinsic characteristic of social media has been completely reshaping the brand-consumer relationship, which has changed from a vertical to a more horizontal kind of interaction. Moreover, social media are a more dynamic tool for consumer

---

[17] https://www.crunchbase.com/organization/xiaohongshu#section-overview (accessed September 2, 2018)

engagement and compared to traditional media they allow brands to reach a broader number of people who can become new fans (and future customers) if not already (Phan et al., 2011).

The effect of social media on consumer engagement is an important aspect luxury brands engaging in social media communication in China need to consider (Chiu et al., 2012).

In fact, the study of Pentina et al. (2018), which is focused on consumer engagement behavior of luxury brands' followers on social media, suggests that, compared to consumer-brand interactions, user-to-user interactions on social media are more likely to stimulate new associations linked to the brand.

Therefore, brands need to promote the exchange of communication with followers by answering comments, giving opinions and promoting interaction (Phan et al., 2011).

In the context of social media communication, consumer engagement, as the involvement of the consumer for a brand and the interaction between brand and consumer, has a direct relation with the *stimuli* generated by contents posted on social media (Dhaoui, 2014).

Dhaoui (2014) points out four basic constructs linked to consumer engagement on social media: endorsement, feedback, conversation and recommendation. Through the act of liking a content, users express their endorsement for the brand and interest for what has been communicated; a feedback is given by users when they choose to comment on contents posted by the brand, providing the brand an opinion on his performance on social media; as social media not only promote consumer-brand interaction but also peer-to-peer interaction among users, consumers engaging in conversations about contents posted by a brand is also an aspect of consumer engagement; fourth, recommendation to other users sharing marketing contents they find useful is also a proof of the level of engagement of consumers toward a brand. Data show that a positive perception of culture and history of a brand can increase consumer endorsement of a brand. When a luxury brand is capable of providing a balanced mix of products with a superior quality and the possibility to engage with the brand to an experiential and emotional level, users are more prone to recommend contents to other users by sharing them. Furthermore, the impression that a luxury brand is promoting something exclusive positively impacts both feedbacks and recommendations.

Social media have been drastically changing the communication between brands and customers, determining a strong impact on brand equity and consumer responses in both mature markets and emerging countries in which luxury is still growing, like China (Godey et al., 2016).

Social media marketing activities impact customer equity and purchase intentions in the context of luxury fashion brands (Kim & Ko, 2012). Luxury brands engaging in communication activities through social media provide a unique value to customers which doesn't emerge with traditional marketing media and have a positive effect on consumer equity; at the same time, social media marketing activities establish themselves as a relevant tool for marketing communication, strengthening the idea that social media are a powerful media to attract luxury consumers.

The interactive and entertaining dimension of social media, along with the capability of spreading news and hot topics have the ability to impact consumer and their attitude toward a brand (Godey et al., 2016). Consequently, social media marketing efforts (SMMEs) which enhances such dimensions have been proved effective on enhancing brand awareness and the image of luxury brands like Burberry, Louis Vuitton, Dior, Gucci and Hermès. On consumer perspective, SMMEs positively affect the intention to pay a premium price for luxury products, brand preferences, and even more brand loyalty. Even though the study of Godey et al. (2016) opposes the findings of Kim & Ko (2012), to the extent that luxury brands shouldn't count on social media communication to enlarge the consumer base, for which traditional marketing tools would be more appropriate, the use of social media reveals itself as an image-building tool for luxury brands.

It is important to underline that the level of consumer engagement on social media has the ability to impact also the brand, to the extent that exchanges between consumers which involve asking and answering questions or posting comments on the brand's wall have the highest impact of the brand's meaning because capable of creating new associations linked to the brand and reach a broader audience (Pentina et al., 2018). The way in which consumers interact with each other generating contents, recommendations and reviews on social media about their experiences with luxury goods can even influence not only the overall brand equity, but also the decision-making process of other consumers and their propension to choose a

counterfeit over an original luxury product (Morra et al., 2017). If a content created by a user is believed to have a lower level of interest compared to the brand's one, users would be more oriented toward the purchase of an original product. Thus, the ability of a brand to create quality contents on social media is necessary to reduce the intention of buying counterfeits. Moreover, by providing customers original, interesting and emotional social media contents, luxury brands can build a durable relationship with customers, increase the level of engagement and improve the overall performance.

Lastly, social media are found to be related with the promotion of hedonic and utilitarian values (Lin et al., 2018). As the different nature of each social media can easily promote one value over another, the more space a social network gives to the creation of a multitude of contents in different forms (e.g. text, pictures, videos), the more appropriate is for promoting both hedonic and utilitarian experiences: because of the possibility to create a variety of detailed contents, Facebook and Twitter can facilitate both hedonic and utilitarian experiences; on the other hand, Instagram is considered more effective to convey hedonic value, due to the limits of pictures in properly communicating the functional side of products and services. Interestingly, despite the similarity with Twitter, the Chinese social media Weibo seems to be more effective in conveying hedonic experiences more than utilitarian ones (Duan & Dholakia, 2015).

The impact of social media on Chinese society is twofold: on one hand they are changing the way luxury consumers interact with brands; on the other hand, the use of Chinese social media by Western luxury brands is affecting some of the traditional values deeply rooted in Chinese society. Young Chinese consumers are showing a more materialistic and hedonic attitude, as a consequence of the constant influence of individualistic values promoted more and more in the modern e-connected China; at the same time, the traditional values of suppressing desire, delaying gratification and thriftiness are declining rapidly. The practice of sharing posts which show desired products and services, or retweeting other users' contents, is a way to express personal desire and make it public. In addition, posts which show what users are doing, consuming or wearing in the moment this happens are more and more frequent, proving that hedonic experiences linked with pleasure and fun are growing in China, along with the importance consumers attach to material possessions and conspicuous consumption, which

seems to be enhanced by social media, like Weibo. Another social change promoted by social media in China is the merging of the values of elite and lower social classes. Because of the high interactive nature of social media, common users can easily communicate with celebrities, and at the same time the elite can retweet or comment posts of grassroots, a practice which is leading to more similarities between the lifestyle of the two groups, making the boundary visibly less neat than before (Duan & Dholakia, 2015).

Such elements demonstrate how social media are reshaping Chinese society, giving luxury consumers new values to build their own identity with.

Indeed, brands are contributing to shape the identity of the young generation, conveying new values and interests. In fact, when consumers decide to follow or like a brand's page or post on social media, they are showing a certain level of commitment toward a brand, which is capable of affecting the consumer's virtual identity (Pentina et al., 2018).

2.4.3. Digitalization process of the word-of-mouth

The recent development of digital technologies and social media as platforms used by luxury brands to reach consumers is subverting the traditional schemes of communication and is providing brands new ways to impact followers both directly and indirectly.

"Word-of-mouth" (WOM) is the diffusion of news and information through the informal conversation between friends, relatives or peers in general (Lin et al., 2018).

Consumers can certainly be fascinated by effective official advertisings, but it can be told that they trust the opinion of family and friends more. This is the reason why WOM has always provided useful aid to assess the curiosity moved by an ad and transform it into a more concrete interest (Hu, 2018a).

Today, face-to-face exchange of information linked to products and services offered by brands is gradually experiencing a sort of digitalization process and is moving from the concrete reality to the digital world of online media (Chu et al., 2018): with the rapid development of

mass media and large Internet penetration rates, the traditional word-of-mouth has soon become *electronic* word-of-mouth (eWOM). In particular, social media have accelerated this process of user-to-user communication, promoting knowledge transfer at a whole new level, also thanks to the mediating role of online influencers (Lin et al., 2018).

The possibility social media users have to interact with each other, create online contents and share them with users from all over the world, is directly linked to electronic word-of-mouth communication (Dhaoui, 2014). Actions like sharing and recommending online contents to friends in the context of social media are, in fact, a main pusher of eWOM and for certain information to go viral.

It is clear that the relevance of eWOM for luxury brands lays in the ability to quickly spread information between consumers through social media (Kim & Ko, 2012); therefore, it represents an indirect yet extremely powerful mean of information diffusion in today's hyper-connected world, capable of building and enhancing brand equity (Godey et al., 2016).

2.5.   KOLs: a strategic bridge between brand and consumer

Social media have been a strong pusher for the development of ecommerce and are now an essential for brands willing to increase their power outside the national boundaries (Hu, 2018a).

Not only the speed through which information can diffuse with the use of social media is faster compared to traditional media, but the range of users potentially reachable is also wider. Indeed, such premises make social media important allies for brands, which can benefit from the electronic word-of-mouth to increase the speed of their online communication (Lin et al., 2018). In such context, the opinion of celebrities, sport stars, influencers can exert a certain influence on the ease of news diffusion to the extent that what they say on social media sometimes counts more than what is written by regular users or companies, and many consumers are inspired by celebrities and brand ambassadors for their fashion choices (Euromonitor International, 2018).

Influential marketing has been growing steadily in the past years, making possible a faster and wider diffusion of information through collaborations with key opinion leaders (KOLs). In the respect of the Federal Trade Commission (FTC) regulation, influential marketing allows brands to promote their products through reviews of KOLs, who need to be transparent about the (paid) partnership with a brand and to try the product before expressing their opinion about it (Conick, 2018). Therefore, KOLs are often considered by brands to develop their social media communication strategy: they can advertise brands' products or events on their channels, take part in offline activities promoted by brands and talk about them online so that followers are more likely to participate (Hu, 2018a).

The variety of online opinion leaders includes experts, celebrities, early adopters, micro-celebrities, micro-influencers, etc. Each of these figures has a different specific knowledge and a different width in terms of number of users reached. However, the common feature is that KOLs are highly informed and socially connected individuals for whom other people feel a mix of respect and admiration. The reasons why online influencers share opinions and information are related to the willingness to achieve a high status by having a large follower base, the interest they have toward a specific field, or the possibility to be paid by brands' products or services they share an opinion about. Online opinion leadership is also related to eWOM as a way to spread information through the use of texts, pictures and videos on the Internet (Lin et al., 2018). The ability KOLs have to reach and influence a big number of users (and potential consumers) is frequently exploited by brands in the marketing field, because it can make a brand gain a competitive advantage compared to other brands. The fashion segment in particular is discovered to make larger use of online influencers than brands from other segments (Dhaoui, 2014).

Opinion leaders' strong personal appeal and deeper knowledge on certain topics not only affect consumers but even promote the hedonic or utilitarian value of products and services (Lin et al., 2018).

Utilitarian and hedonic values are two opposing aspects of a product or service: the former is linked to the functional benefit and the fulfillment of functional needs by consumers, such as quality, price, ease of use; the latter concerns the intangible aspect, as well as fun, exquisite and glamour experiences (Lin et al., 2018; Duan & Dholakia, 2015). The level of utilitarian

and hedonic values differs from one product to another, and in some products both elements coexist.

The work of Lin et al. (2018) provides an interesting insight of how KOLs can enhance the hedonic or utilitarian aspect of products and services by increasing the personal attachment of consumers (hedonism) and provide information about them (utilitarianism). Specifically, the social prestige gained by KOLs and their degree of popularity among followers can strengthen consumers' desire to imitate KOLs and adjust their behavior consequently. Because such process would foster followers' identification with the admired influencer, when KOLs show a positive attitude toward a product or brand, the identification of the follower with the brand is the following step. The aspect of leadership transmitted by KOLs acts on consumers' psychological attachment to a product or service and creates a positive association with a brand. Also, the role of KOLs as leaders have can positively influence consumers' willingness to purchase products of a brand.

Given the impact social media have in enhancing the hedonic aspect of consumption, along with the strong link luxury have with hedonic experiences, the importance of KOLs for luxury band seems to be crucial (Duan & Dholakia, 2015; Hu, 2018a). As a matter of fact, the opinion of KOLs is generally considered more authentic than other forms of official promotions, and their specialized knowledge of certain topics gives them more authority among consumers. In particular, celebrities can generate a stronger endorsement toward a brand and are capable of influencing the success of a product creating a positive eWOM; celebrities have a large follower base, but followers tend to perceive a strong distance between celebrities and themselves. Micro-influencers are, instead, people engaged in social media activities; even though is smaller, their follower base is extremely engaged and passionate about their contents. In addition, because of the strong interaction between micro-influencers and followers, the perceived distance is very low compared to celebrities. For this reason, consumers may be more involved in advertisings featuring micro-influencers, because they can add a more informal touch and may be perceived more as a suggestion from someone trusted rather than a traditional ad, making the consumer feeling more involved.

When it comes to the selection of online opinion leaders, two basic factors brands need to consider are the amount of resources to invest in KOLs and the function they have in

promoting communication strategies; for example, luxury brands willing to emphasize the hedonic aspect of a product or service should look for influencers with a prominent leadership orientation (Lin et al., 2018). Of course, big companies tend to have more possibilities to partner with more than one influencer on different social media platforms.

Many studies point out that the presence of celebrities, public figures and opinion leaders can affect consumer engagement toward a product or a brand and the image of a brand. On one side, the involvement of KOLs in a brand's marketing strategy on social media can result in more consumer feedbacks; on the other side, the use of public figures is found to negatively impact the endorsement rate and generate a decrease in feedback, conversation and recommendation rate among the followers of a brand (Dhaoui, 2014; Ng, 2014).

In China, many luxury brands have been partnering with KOLs, obtaining more positive results in terms of reinforcement of the overall brand image. For example, a research conducted by Ng (2014) shows that 19% of Coach' contents posted on Weibo included a partnership with KOLs showing or using the brand's products. Coach featured also with Chinese celebrities, a move which enhanced the connection with Chinese consumers. In addition to that, the brand actively shared some tweets posted by both international and local bloggers with the aim of fostering consumer feedbacks. Generally, posts about local celebrities tend to create more engagement in terms of comments, confirming the importance of Chinese KOLs as brand ambassadors in the social media marketing approach of luxury brands in China, because of their ability to establish a deeper connection with consumers. Coach's partnership with the Chinese pop star Wang Leehom to represent the man's collection gave consumers the possibility to enjoy an entertaining experience, strengthening the brand image at the same time.

More recently, other Chinese KOLs have given a decisive contribute to the growth of influential marketing in China: from Mr. Bags, who managed to sell CNY3.24 million worth in Tod's handbags in only six minutes on his WeChat mini-program[18], to Angelababy, one of the biggest influencer in China with a follower base of 87,6 million users on Weibo, who

---

[18]https://www.businessoffashion.com/articles/news-bites/mr-bags-sets-new-record-3-24-million-rmb-on-wechat-in-6-minutes (accessed September 2, 2018)

made the cosmetics brand Maybelline sell the massive number of 10,000 lipsticks in two hours[19].

As far as Chinese consumers are concerned, the image of celebrities is related to success, wealth and admiration; thus, connecting the brand to a celebrity which has a strong endorsing power results in the transfer of status and personality of the celebrity to the brand.

KOLs happen to be relevant for both online and offline events, because of their ability to create expectations in relation to a brand and a certain activity. The link between online and offline is necessary to obtain the highest results from the use of offline contents in the online channel and *vice versa*; KOLs can be used to enhance this kind of omnichannel communication, as they are capable of interacting with followers, creating a direct sharing and promoting the brand by becoming themselves the brand (Hu, 2018a).

---

[19] http://socialbrandwatch.com/maybelline-sells-10000-lipsticks-china-within-two-hours/ (accessed September 2, 2018)

Chapter III

Luxury and social media: A qualitative analysis of the Chinese market

3.1. Introduction

The new Chinese generation has been developing a strong international push, as well as the desire to embrace contemporary Western trends, especially when it comes to luxury consumption (Tsai et al., 2013). China has become a strong trading and consuming partner for luxury companies, which are exploiting investment opportunities offered by such country (Bain & Company, 2016): brand awareness is increasing among consumers, which are more prone to invest in luxury fashion brands compared to the past (Atsmon et al., 2011); however, due to differences between Chinese and Western cultures, Chinese consumers tend to perceive luxury based on their unique cultural background (Li et al., 2012). Furthermore, as a consequence of the speed of technological development of the last decade and the growth of the average disposable income (Doctoroff, 2005), China has been showing high growing rates in terms of internet penetration and e-commerce spending (Deloitte, 2018; CNNIC, 2018). In fact, the possibility to be constantly connected through mobile devices and to acquire information about Western culture and trends fosters Chinese users to visit websites, watch advertisements and buy products with a simple touch (Xie et al., 2013). Therefore, Western luxury brands are strongly investing in online communication in China (Kapferer, 2015).

Previous research has already given an insight of Chinese consumers and their relationship with luxury in light of the socioeconomic development of the latest years (Ngai & Cho, 2012; Chevalier & Pierre, 2011; Gao et al., 2009). In particular, Chevalier and Pierre (2011) pointed out similarities and differences among Chinese consumers with various levels of income, focusing on the perception of luxury among each segment; Gao et al. (2009) and Ngai and Cho (2012) attempted to profile Chinese generation Y, highlighting a growing positive attitude toward luxury brands and products.

From the firms' perspective, Phan et al. (2011) and Ng (2014) analyzed the approach of two leading luxury brands to Chinese market through social media, as a necessary channel to increase brand awareness and even reposition the perception of the brand in the mind of consumers. Following the same path but with a stronger focus on social media, Jin (2012) studied the behavior of Louis Vuitton on its official Facebook page and the reaction of consumers, while Duan and Dholakia (2015) analyzed changes in Chinese consumers' behavior and their growing desire of hedonic experiences through their posts on Weibo. However, on the one hand, literature related to Millennials, the youngest segment of Chinese consumers born between 1982 and 2000, is still scarce, and a careful analysis of their knowledge and perception of luxury is still an unexplored field; on the other hand, a common tendency of previous research is the choice to focus on single luxury brands and their communication on Western social media.

For this reason, the objective of this empirical study is twofold: first, is aimed to fill the gap in existing literature on Chinese consumers providing a deep insight of the Millennial segment in terms of awareness, attitude and involvement in luxury; second, it would give a complete understanding of the dynamics related to the use of Chinese social media in the field of luxury communication from a multi-brand perspective.

The research questions addressed are:

- How can digital communication and social media transmit the values of a luxury brand to consumers?

- How should firms enhance consumer engagement toward brands and products through social media?

- What is the impact on consumers?

In order to develop my thesis research, I organized four focus groups in Beijing with the participation of Chinese university students, and a qualitative analysis of Weibo posts regarding advertising strategies pursued by a group of 12 leading Western luxury brands.

The analysis, which was conducted on both consumer and firm side, makes possible a complete understanding of the modern Chinese luxury market, providing useful insights on how luxury brands leverage on social media to impact Chinese consumers.

3.2. Focus groups

3.2.1. Methodology

In order to have a better understanding of the Chinese luxury market and the segment of young consumers, I performed four focus groups in the months of May and June 2018 among universities students of the University of International Business and Economics (UIBE), located in Beijing. The focus group is a qualitative analysis that allows the comprehension of a specific phenomenon without generalizing the results; it generally consists of a small number of participants (6-8 individuals) who discuss a topic and give their opinion about it (Checchinato et al., 2014). A number of 22 students of economics and Italian language (19 females and 3 males) took part in the focus groups, which were conducted in English. They were born between 1995 and 2000, and their age range is between 18 and 23; for this reason, they belong to the youngest segment of Millennials, possibly most powerful among luxury consumers.

GENDER		AVERAGE AGE
Females	Males	19.36
19	3	
86.36%	13.64%	

Table 3. Characteristic of participants

Each focus group, which gathered a maximum of 6 students, had an average length of 1 hour; the four focus groups were recorded under written permission of the participants, and transcribed afterwards for the analysis.

The choice of using this kind of approach is related to the possibility to create and informal environment with a small of number of participants, who feel more comfortable in talking freely about a topic and giving the interviewer honest opinions, often from a perspective which would hardly emerge through a formal interview or a basic questionnaire.

The main topics discussed during the focus groups are the following:

- Knowledge and perception of European luxury brands;

- Reasons to buy luxury products;

- Most popular social media used to gather information about luxury products;

- Perception of high-end product advertisements involving celebrities and the role of Chinese celebrities in promoting a luxury brand;

- Luxury brands advertising through Chinese social media.

3.2.2. Results

Questions and main findings resulting from the focus group are detailed below (Appendix 1).

1. Knowledge of Western luxury brands

The participants were asked to mention as many international luxury brands as they could.

They showed a very good knowledge of the most popular international luxury brands, mentioning a total number of 28 luxury brands without aided recall:

Dolce&Gabbana, Louis Vuitton, Valentino, Armani, Dior, Chanel, Prada, Fendi, Yves Saint Laurent, Gucci, Chloé, Micheal Kors, Coach, Rolex, Acqua di Parma, Tiffany, Stella

McCartney, Alexander Wang, Tom Ford, Givenchy, Hermés, Balenciaga, Burberry, Ferrari, Cartier, Ferragamo, Furla, Rose Only.

The vast majority consists of European brands: Italian (10), French (8), British (2), Spain (1) and Swiss (1) brands; the remaining 6 are U.S. luxury brands and stylists. The first five brands mentioned were always either Italian or French, and three out of four times the first brand mentioned by the interviewees was Italian.

2. Purchase of luxury products

The participants were asked if they owned luxury products.

Only 9 out of 22 owned luxury products, including bags and watches, but mostly makeup and perfumes. All the participants showed a propension to buy luxury products; however, a common opinion was that the purchase of luxury is not something students can afford. In fact, the majority agreed that only in the future, with a job and a high salary they would consider spending money on luxury items. For now, luxury is not a priority, and it would be too expensive to keep updated with the latest trends every season; they would buy what is most suitable for them, whether is produced from a luxury brand or not.

> *«Maybe if we had enough money we will think about that, but for now as students we just think to buy some economic things».* (Student, F)

3. Reasons to buy

The interviewees were asked which were in their opinion the reasons leading to the purchase of luxury products.

One of the main reasons addressed to the purchase of luxury products is the Chinese economic growth at large, and the increase of the personal income. High quality seemed to be an important motivation to determine a luxury purchase, but the desire to follow the new trends is also common among Chinese young people, which give great importance to recommendations of friends and family. Luxury items let people who own them have a

higher quality of life; at the same time luxury can be an instrument to show the status and distinguish from the mass. For this reason, some people can buy as consequence of imitating other people's behavior, in order to conform to the group of reference.

> *«Maybe some students just want to chase the fashion and show off».* (Student, F)

> *«If she is a graduate student and carries a certain bag whatever she goes, this is a symbol and I also want to buy that product».* (Student, F)

4. Perception of luxury consumers

The participants were asked to express their opinion about luxury consumers.

They recognized the purchase of luxury products as the personal choice of a wealthy person who has enough money to buy what he/she likes and follow the trends at the same time. In fact, the opinion about habitual luxury purchasers was positive: they are not only considered rich, but also fashionable, with a good taste and the ability to pay for their taste. Owning luxury products can also be a way to conform to the dictates of the society at large.

> *«Young people buy luxury because they just want to have a luxury item or maybe to get into some circles, friend circles».* (Student, F)

> *«Maybe not all buy luxury just to show they're different from other people, but they are really elegant and enjoy the elegance of luxury. […] It's just for themselves».* (Student, F)

> *«I think there are many people who don't have too much money but would save money to buy luxury. […] They run after the luxury and want to show that their taste is very good. I think there are many people like this».* (Student, M)

> *«I think luxury products to some extent mean taste for life; if someone has the ability to afford these things it's okay, it's very ordinary».* (Student, F)

> *«Maybe they're fashion to some extents, but I think some people are not really fashion: they just want to follow the fashion and buy luxury items to make their taste reach a higher level».* (Student, F)

5. Relationship between luxury brands and countries

The participants were asked to associate luxury products to a country and define the characteristics of such products.

When it comes to luxury products, the interviewees generally thought that the quality of European products is higher. France and Italy first, but also other European countries such as Germany and Swiss, and the United States were mentioned as countries with the highest quality regarding the manufacture of high-end products, followed by Korea and Japan regarding the Asian market. Apart from high quality, which is the key characteristic on which all the interviewees agreed, luxury products from such countries were also perceived as useful, iconic and with a unique design, even if very expensive.

> *«I think that generally products from Europe lead the chain of fashion in the world».* (Student, F)

6. Perception of counterfeit luxury products

The participants were asked to express their opinion about counterfeit luxury products.

The counterfeit industry was recognized as a phenomenon with a certain impact. Even if all the interviewees were aware that buying a counterfeit luxury product is a common practice in China, they had different point of views about such topic. Generally, they were against the concept of counterfeit, which is something that goes against the concept of luxury itself: the main feature of exclusivity of luxury products is offset by the nature of counterfeits, which are produced in mass and are not unique. A shared opinion was that the purchase of counterfeits luxury products could generate embarrassment due to the possible recognition of such products by other people, this is the reason why the majority does not own any counterfeit luxury product and is not interested in buying one. This is the reason why they would spend more money buying original products, instead of paying less to purchase non-original luxury items. However, a small portion of the participants did not seem to be

72

completely hostile to the purchase of counterfeit luxury products, but only if very similar to the original product and people around cannot notice the difference.

> *« (counterfeit luxury products) are popular in China, of course they're much cheaper, and satisfy those who don't have enough money but want to have the feel of these big brands».* (Student, F)

> *«I think it would make me feel uncomfortable, because other people would know it's not original».* (Student, F)

> *«The most important feature of luxury goods is that they're unique. They're designed by famous designers, so the copies are just gross».* (Student, F)

> *«I don't have any fake item and I wouldn't buy it. I think it's illegal to copy others' ideas because it would harm the original company».* (Student, F)

7. Purchase behavior for luxury products

The participants were asked to talk about the steps they generally make when deciding to buy a luxury product.

Three main purchasing channels emerged: physical store, online, and from friends and family members who are abroad. All the interviewees agreed on the fact that luxury brands in China are very expensive, and this is the reason why Chinese people tend to make luxury purchases when they are abroad, or they ask a friend or relative who is abroad to buy for them. The online channel was also considered: on Chinese websites many people sell luxury products they have purchased abroad, and this seems to be a popular and trusted channel in China.

> *« (about the purchasing channel) sometimes also on the Internet, but when I purchase on the Internet is only because there is a discount and I can buy a product at a cheaper price».* (Student, F)

> *«Other students who are abroad helped me to buy them from Korea».* (Student, F)

«Last year I went to Guangzhou for a month as interpreter, and I went to Hong Kong at that time. So, my mum asked me to buy so many cosmetics, bags; maybe someone goes abroad, and I would ask her to buy products for me». (Student, F)

8. Familiarity with advertising channels

The participants were asked to talk about the channels they use to discover luxury brands and new products.

Along with official advertisements, magazines and tv programs, social media were considered to be the main channel to gather information about luxury brands and new products, especially Wechat and Weibo. On Wechat young people tend to follow official accounts which are not owned directly by brands, but are a sort of online magazines which send subscribers daily information about luxury and items users are interested in. Weibo was considered a social media which allows a certain degree of acquaintance with luxury brands, where famous bloggers and internet celebrities (网红 *wǎnghóng*) recommend new products, but some of the interviewees considered advertisements on the brand's official page formal and boring. In general, following official accounts of single brands is not very popular because Chinese people do not have preferences about one luxury brand over the others: they buy what Chinese celebrities wear.

On Taobao and some websites like Aiqiyi*,* commercials of luxury products are common as well. However, the latest trend is the new app Xiaohongshu, whose contents include celebrities or internet stars testing and talking about what is new on the market, including luxury products. Recommendations from friends and classmates were also highly valued by all the participants when looking for information about new trends and products.

« (about how the interviewee generally knows new luxury products) *from my friends and also in the Wechat moments: there are some friends who put the advertisements of luxury goods because they went abroad and bought many luxury goods to sell in China».* (Student, F)

«When you use Wechat you use official accounts to gather information: they put all in a package, in an article to send to you and you'll notice all that in one». (Student, F)

«On Weibo there are lots of official accounts, but the ads are very official, just from their brand, but in Wechat we see articles of some famous people […] they make comments on these brands and new luxury and use words close to us people, not like some official advertisements». (Student, F)

«There's a new app called Xiaohongshu *in China, […] in this app you can see many stars and actors, they would post about their daily life or video, or some texts saying that this kind of product is very good, nice, and they show the pictures, and some* wănghóng *would also try these goods and write down assessments, comments and make comparisons».* (Student, F)

9. Importance of social media as advertising channel

The participants were asked to express their opinion regarding the role of social media in the advertising of luxury products.

All the interviewees agreed on the fact that social media play an important role when it comes to the advertisement of luxury products: the exposure through social media is not only an essential part of the brand strategy when first approaching the Chinese market, but always, since the competition between international and Chinese brands is fierce. A different point of view expressed by one of the participants is that the very luxury brands don't need to advertise, because only a low percentage of consumers can afford to buy their products, denoting a strong perceived distance between the interviewee (who is a student) and luxury brands which are considered symbol of a different social class.

10. Involvement in advertising

The interviewees were asked to express the characteristics that they generally find to be the most interesting in advertisements of luxury products and what is the contribute celebrities give.

According to the interviewees, the design of the product and the model starring the commercial are the most interesting features in a luxury product advertisement, along with the degree of creativity, the story behind the product and the manufacturing process leading to the creation of the product itself. Generally, ads starred by a well-known celebrity would have a higher value: on one hand, international celebrities were considered attractive because they fit the image of extravagance and distance that luxury brands communicate. On the other hand, Chinese stars were preferred, and the main reason was that products do not always fit Chinese people's physical characteristics. This is why having a Chinese star in the advertisement was considered a proof that the product is also suitable for Chinese and Asian people in general. The interviewees were also able to mention only Chinese stars who recently appeared in ads for high-end brands, such as Chris Wu for Burberry and Zhang Yixing for Valentino. However, for some of the participants the presence of well-known Chinese celebrities in commercials did not seem to be a plus, and in some cases, it could even create the opposite effect: if the same celebrity partners with too many brands, the ad can lose credibility.

> *«I think that the process of making them is interesting. I remember Chanel once did a commercial of perfume N.5 that told us how the perfume was made and the story behind it. So, I think the attitude really counts».* (Student, F)

> *«Some products related to these stars, CDs, clothes, so the fan culture in China has a very large potential market. So, if they find someone like Chris Wu to do the advertisement maybe lots of girls would buy the product».* (Student, F)

> *«I will choose Chinese celebrities, because our characteristics are more identical and makes me feel more suitable».* (Student, F)

«It makes no difference, because I won't buy just because I see the ad of the celebrity, there are occasions that the clothes are beautiful just because the star is beautiful». (Student, F)

11. Use of social media in relation to luxury

The participants were asked to explain their use of social media in relation to luxury products.

They perceived a certain degree of distance from celebrities and luxury brands on social media: they are willing to interact but do not expect any response. In general, nobody would post a picture of a luxury purchase on social media if the product is not embedded with an emotional value (e.g. gift), and without tagging the official brand's account. The participants generally defined themselves as passive users, who would just watch or read contents online and share them only to prove friends that the luxury purchase is linked to a positive review from a *wănghóng* on the web. Some of the students, instead, were more active in posting information or pictures about luxury products, especially on Weibo and Wechat moments, sometimes with the aim of reviewing and recommending them to their friends, if good products.

«If I post every time I get a new product, the others would see that I don't have many luxury goods, so it doesn't make sense to me. I would make my friends think "a Coach bag? Just so so". Maybe I will take a picture of myself and show a little part of the bag». (Student, F)

«I would just watch (a video about a luxury product). *But if my friends ask me "why did you buy it?" I would share the video».* (Student, F)

12. Engagement with advertising practices on social media

The participants were asked to talk about their interest in taking part in activities organized by luxury brands on social media.

Some of the participants had taken part in contests set up by luxury brands on social media at least once, but everyone expressed a positive attitude about the possibility to take part in the future to obtain discounts on products or if there is the chance to win something. In addition, if a celebrity they like is involved, they would be more interested.

They generally agreed on the fact that contests on social media are a good advertising strategy for luxury brands, but it is probably more common in Western countries; in fact, temporary physical shops or events with the participation of a local star were considered even a better mean of advertising, along with ads on the main streets of the cities.

> *«Apart from social media, they should advertise in some high streets».* (Student, F)

> *«If international brands want to interact with me, I would like to get luxury for free or with some discounts».* (Student, F)

3.3. Weibo content analysis

3.3.1. Methodology

With the purpose of exploring digital communication strategies adopted by the leading luxury brands in China, I made an interpretative content analysis of 428 Weibo posts over a three-month period (data were collected in May and June 2018) using the same technique of Duan and Dholakia (2015), who identified and coded over 250 Weibo messages of 8 random Weibo users who usually posted consumption-related contents during a period of three months. They interpreted both pictures and text of the Weibo posts, which were translated from Chinese to English for interpretation and discussion.

The 428 posts collected include only Weibo posts involving KOLs and were posted from 12 European luxury brands' official accounts in a period of three months (March-May 2018); after the collection process, I translated the posts from Chinese to English and identified 68 codes.

Only European luxury brands' accounts with more than 500,000 followers were considered for the research.

	BRAND	COUNTRY OF ORIGIN	N. OF FOLLOWING	N. OF FOLLOWERS	POSTS (N)	POSTS (%)
1	Chanel	France	157	2,541,071	8	1.87%
2	Dior	France	81	2,229,967	98	22.9%
3	Cartier	France	15	1,539,407	10	2.34%
4	Louis Vuitton	France	191	1,482,080	11	2.57%
5	Burberry	UK	143	1,237,589	41	9.58%
6	Gucci	Italy	101	1,212,178	35	8.18%
7	Yves Saint Laurent	France	66	923,025	45	10.51%
8	Dolce&Gabbana	Italy	240	909,362	95	22.2%
9	Givenchy	France	26	883,968	15	3.5%
10	Bulgari	Italy	57	778,537	25	5.84%
11	Fendi	Italy	265	622,646	30	7.01%
12	Versace	Italy	60	546,463	15	3.5%

Table 4. List of luxury brands considered in the sample

Chanel is the account with the highest number of followers, exceeding 2.5 million, and Versace is the one with the lowest follower-base of nearly 550.000 users. Among the accounts considered, Chanel, Dior and Cartier are the three accounts that have the highest level of popularity among Weibo users, confirming France a key country when it comes to European luxury brands (half of the accounts refer to French brands), while Italy establishes itself as the second most relevant country in terms of follower-base; in fact, 5 out of 12 accounts belong to Italian luxury brands. The posts were collected based on the tag of a KOL, considered as the main criteria for the selection process. For this reason, only Weibo users with the red "V" icon (symbol of the VIP status used by Sina Weibo to confirm the identity of users with a strong endorsement) were included in the present research.

In light of the codification process, 64 codes were found, and four tentative categories were developed afterwards.

3.3.2. Results

3.3.2.1. Categories

	CATEGORY	POSTS (N)	POSTS (%)
1	Partnership KOL-brand for official advertising campaigns	113	26.40
2	KOLs with the brand's products at events hosted by the brand	90	21.03
3	KOLs with the brand's products at official occasions and public events not hosted by the brand	111	25.93
4	KOLs with the brand's products in their daily life	114	26.64
	TOT.	428	

Table 5. Categories from Weibo codification

Regarding the Weibo analysis, after the translation and codification process, four tentative categories were developed:

1. Partnership KOL-brand for official advertising campaigns;
2. KOLs with the brand's products at events hosted by the brand;
3. KOLs with the brand's products at official occasions and public events not hosted by the brand;
4. KOLs with the brand's products in their daily life.

Generally, the distribution of posts in each of the four categories developed is homogeneous: partnerships KOL-brand for official advertising campaigns (1.) include 113 posts, while the category related to posts which talk about the participation of the KOL in formal events hosted

by the brand (2.) consists of 90 posts. 111 posts are related to the KOL taking part in official occasions and public events not hosted by the brand (3.), while the majority of posts concerns the KOL wearing products from the brand in his/her daily life (4.), accounting for 114 posts.

From the analysis of the categories, two macro-groups can be distinguished: partnerships between KOLs and brand; KOLs with the brand's product. Accounting for 73.6% of the total posts, the latter is the main group in terms of number of posts. Thus, it is clear that the choice of showing a KOL wearing a product of the brand whether on formal or informal occasions happens to be the preference of the brands considered for the study when deciding to post on Weibo and tag a KOL.Specifically, posts showing influencers wearing the brand in their daily life and during public events which do not involve the brand result in 71.43% of the posts of the group of reference, and 52.57% of the total posts.

The following post was published on Dior's official Weibo account on 13 April 2018.

Figure 5. Post by Dior (April 13, 2018): "#DIORHOMMEGOLDCAPSULEcollection# the young actor @xiàngzuŏJackyHeung was dressed in DIOR at the cocktail party of the launch of Dior 2018 spring/summer ready-to-wear collection. The neat customized tuxedo was perfectly suitable for his body and created an elegant and sober fashion style."

The simple description of the actor Jacky Heung with a suit from the new collection and six pictures showing him wearing the outfit received 48,400 likes, which represent the highest number of likes received by a post within the sample. After a careful analysis of the posts with the strongest response from the followers in terms of likes, reposts and comments (Appendix 2, Appendix 3 and Appendix 4), some relevant insights emerged:

- Dior and Louis Vuitton collected the highest response, the former regarding the number of likes (48,000 likes for the previously mentioned post), the latter for the level of engagement (comments and shares);
- the great majority of KOLs is composed by Chinese celebrities, with male KOLs accounting for 80%.

GENDER	NUMBER	PERCENTAGE
Female	106	58.6%
Male	75	41.4%
TOT.	181	

Table 6. Number and percentage of KOLs grouped by gender

The popularity of such posts is probably due to the fact that the follower-base is composed mainly of female users, who show a strong interest in boy bands and young actors. Such trend is the expected result of the recent phenomenon of the spread of K-pop in China, especially among Millennials (Moore, 2005). In fact, the kind of post that followers liked and commented the most implies a tag to a male KOL and pictures in which the KOL simply wears the brand's clothes at the airport or during an official event.

	KOL	GENDER	PROFESSION	NUMBER OF FOLLOWERS	COUNTRY
1.	Angelababy	F	actress, artist	87,6 million	Hong Kong
2.	邓超 Dèng Chāo	M	actor, director	67 million	China
3.	范冰冰 Fàn Bīngbīng	F	actress	62 million	China
4.	唐嫣 Táng Yān	F	actress	60 million	China
5.	黄晓明 Huáng Xiǎomíng	M	actor	56,4 million	China
6.	李晨 Lǐ Chén	M	actor, director	53,3 million	China
7.	TFBOYS-王源 Wáng Yuán	M	singer (member of TFBOYS)	45,3 million	China
8.	TFBOYS-王俊凯 Wáng Jùnkǎi	M	singer (member of TFBOYS)	44,5 million	China
9.	TFBOYS-易烊千玺 Yì Yáng Qiān Xǐ	M	singer (member of TFBOYS)	43,8 million	China
10.	吴奇隆 Wú Qílóng	M	actor	42,2 million	China

Table 7. KOLs with the highest number of followers

On the other side, what determined the highest level of engagement in terms of reposts are activities made in collaboration with the KOL which are, at the same time, extended to followers. When KOLs are invited to an exhibition of the brand which is also opened to the public, the user is more likely to share the news with his friends/followers and possibly participate. The creation of a bridge between brand and followers through the post and the use of influencers to create involvement would be a key move to determine the strongest reaction

of the followers, which become a vehicle for the spread of the post through the choice of sharing it.

As a matter of fact, the role of KOLs is of primary importance when the brand decides to advertise new products and reach a wider number of users. In all the categories identified the KOL emerges as a linking element between the non-Chinese brand and the Chinese users, especially when he or she is a well-established Chinese celebrity. All the brands invest a considerable amount of efforts and posts in the involvement of KOLs to implement formal and informal communication strategies, and the nationality seems to be an aspect which cannot be underestimated: 72.38% of the KOLs chosen by the analyzed brands are from Mainland China, 9.39% from Hong Kong and 4.42% from Taiwan. Table 3 contains the list of KOLs grouped by nation.

Considering posts with the highest response in terms of likes and engagement, the great majority is composed of Chinese KOLs, confirming that the nationality of the KOL is a factor which is directly related to the level of involvement of the users.

NATIONALITY	KOL (N)	KOL (%)
1. Mainland China	131	72.38%
2. Hong Kong	17	9.39%
3. Taiwan	8	4.42%
4. USA	8	4.42%
5. Korea	4	2.21%
6. Canada	2	1.1%
7. France	2	1.1%
8. Japan	2	1.1%
9. Malaysia	2	1.1%
10. Thailand	2	1.1%
11. Australia	1	0,56%
12. Brunei	1	0,56%
13. Singapore	1	0,56%
TOT.	181	

Table 8. Nationality of KOLs

3.3.2.2. Themes

Five main themes emerged from the analysis of the categories:

1. KOL-Brand identification (extended self);
2. Hedonism;
3. Uniqueness;
4. Quality;
5. Conspicuousness.

1. KOL-brand identification

The recent economic development China has been experiencing during the last years, along with the openness toward the West, has impacted the new generation, which is living a relevant social change (Chevalier & Pierre, 2011). Both China and Chinese people have been reshaping their identity when the country has started to impose itself worldwide (Ngai & Cho, 2012). In such a dynamic context, the new generation is gradually building its image, which seems to be closer to Western values than to traditional Chinese values (Simmers et al., 2014). This phenomenon happens to be the result of the constant exposure to the West that young Chinese experience daily, especially through the Internet and social media (Tsai et al., 2013). Specifically, they are becoming more and more acquainted to American and European trends, which result in a growing knowledge of foreign brands, also in the luxury sector (Moore, 2005). Brands, from their side, started to enter the Chinese market, and have been developing fine communication strategies exploiting Chinese social media (Phan et al., 2011). Brands are contributing to shape the identity of the young generation, conveying new values and interests. Collaborations with KOLs on social media can be seen as an attempt in this direction: the present study shows that luxury brands use online influencers (mainly from Mainland China) as an instrument to transmit brand values. Moreover, many posts are found to have a link with the identity.

Figure 6. Post by Cartier (April 16, 2018): "#pantherphantom# she doesn't care about the voices coming from the outside, she's only loyal to her heart; she constantly explores the boundaries of the self, like a cheetah she advances bravely. Cartier's friend @Xīnqǐlěi performs a brand-new interpretation in the "Phanter Phantom" online video, wearing #PanthèredeCartier# watch, an incarnation of the Cheetah girl, which symbolize the modern woman loyal to herself, independent and self-confident, constantly exploring her personal attitude."

This post gives an example of how the identity of the KOL actually matches the identity of the brand. In this way the reader (often a fan of the influencer) gradually develops a tendency to internalize the identity of the brand through the KOL and reshape his own.

2. Hedonism

Social media are an important instrument brand can use to enhance the utilitarian or hedonic value of a product. Considering hedonic an experience associated with pleasure which goes

beyond the benefit received from utility, practicality and durability of a product, luxury brands have a stronger hedonic tendency than non-luxury brands (Lin et al., 2018). Therefore, the communication strategy implemented by luxury brands on social media seems to be aimed to increase the hedonic value in order to create an emotional link with the follower-base.

The modern Chinese luxury consumer is more oriented toward an individualistic set of values filled with hedonism, personal achievement and self-confidence (Wei et al., 2012). Specifically, Weibo users show a tendency to pursue hedonic experiences, even when the product or the type of consumption *per se* are utilitarian (Duan & Dholakia, 2015).

In light of the Weibo posts selected for this study, luxury brands seem to clearly emphasize the hedonic side through posts which communicate exquisite experiences.

Figure 7. Post by Bulgari (May 9, 2018): "Today, Bulgari's new LVCEA Tubogas Halo Watch shines in China! Mr. Jean-Christophe Babin, CEO of Bulgari, witnessed the wonderful collision of light and time together with the four Aphrodite goddess @Tángyān, @CrystalZhāngtiān'ài, @Tángyìxīn and @Yángróng, #your halo# bursted into bloom."

KOLs are primary vehicles of the finest experiences and are introduced in the post to impact the reader with a flavor of glamour and elegance. Previous researches pointed out how online opinion leaders increase the psychological attachment of their followers to a product or service (Lin et al., 2018), and that brands could create a deeper connection with the Chinese market by

collaborating with Chinese brand ambassadors (Ng 2014). Consequently, the luxury brands analyzed seem to take advantage of that: posts which highlight how influencers look stunning, smart, or godlike in a dress from the new collection brings the simple act of wearing clothes to a whole new level. The experience of luxury, and not the product itself, is what brands value the most for their online communication strategies.

3. Uniqueness

Chinese young consumers are showing a tendency toward a more individualistic attitude, along with a growth in the dimensions of need for uniqueness and counter-conformity compared to the older generations (Simmers et al., 2014). Tsai et al. (2013) pointed out that the interest in unique luxury brands and products is growing in China, not only as a consequence of a sophistication in tastes, but also as a result of the exposure to foreign cultures and values. On the other hand, luxury brands' behavior on social media is promoting such changes to the extent that they stress more exclusivity and uniqueness of both products and brands in giving customers a new experience (Phan et al., 2011). Contrary to previous research which stress the fact that in China the luxury market is still developing, and the rarity of the product doesn't impact consumers (Kapferer & Valette-Florence, 2018), the current research shows that posts with a tag to a KOL highlighting the link between luxury and rarity seem to be a staple for luxury brands engaging in social media communication in China.

Describing the KOL wearing customized products or an exclusive makeup for the participation to either a private party or an important ceremony enhances the desire of purchasing luxury because it becomes symbol of distinction. For this reason, Chinese Weibo users happen to give credit and appreciation to posts of luxury brands linked with rarity. As an example, the following post (Figure 8) was shared by 332284 users, commented 3409 times and obtained 16507 likes.

Figure 8. Post by Dior (March 16, 2018): "The member of TFBOYS @TFBOYS-Yìyángqiānxǐ is wearing DIOR HOMME 2018 summer collection for a shooting. On the backpack, designed in collaboration with the artist, the vivid portrait brings out the extraordinary charm of the young star."

4. Quality

Luxury brands are given a high value by consumers because of the perceived superior quality (Vigneron & Johnson, 2004). In order to obtain an exclusive positioning in the mind of consumers, brands need to provide their products with additional value and exploit it through social media (Phan et al., 2011). Quality, a distinctive feature capable of strengthening the value to a purchase, is relevant in posts which stress the Italian manufacture (as of D&G) or the Swiss craftsmanship (as of Bulgari) of a product. Directly connecting quality and countries, luxury brands leverage the so called "country-of-origin effect", which is attached great importance by Chinese consumers (Godey et al., 2016). Evidence is provided by the following post.

Figure 9. Post by Dolce&Gabbana (May 16, 2018): "#DG celebrity performances# @Huángxiǎomíng was wearing a #D&G# jacquard tuxedo from the Spring/Summer 2018 collection, for the premiere of the movie "Earth's Last Night", his debut on Cannes red carpet. The classic Italian craftsmanship created refined details and an outstanding style for such a modern gentleman. #DGMen#".

On the other hand, posts that stress the use of innovative technologies (as of Gucci) or that connect the KOL to the creation of a new product (as of Cartier) are examples of building value with real (the former) or perceived (the latter) higher quality, which in both cases becomes symbol of that superior and luxurious world Chinese consumers constantly look for.

Figure 10. Post by Gucci (May 28, 2018): "#GucciStar# @Sòngzǔ'erLareina is wearing a cool and sleek RE(BELLE) handbag. These bags are washed and brushed with a specific technology which gives a delicate touch of vintage. Click on the link to free your personality. @Sòngzǔ'erStudio @Sòngzǔ'er".

5. Conspicuousness

Conspicuousness is linked to activities capable of satisfying the need to signal social status and wealth by providing symbolic value (Makkar & Yap, 2018). The link between brand and social status is a central element in conspicuous consumption (Vigneron & Johnson, 2004). Communicating the status with luxury products is a kind of behavior deeply rooted in Chinese society (Degen, 2009) and luxury brands on social media use such peculiarity strategically. The idea of luxury as something extremely expensive only an elite of exclusive people can afford is central in some of the selected posts, as the following.

Figure 11. Post by Dolce&Gabbana (May 3, 2018): "#Dolce&Gabbana# 2018 Spring/Summer Women Collection (2) - @Dear-Dílìrèbā is wearing a Cordonetto colorful lace dress paired with Lucia embroidery calfskin shoulder bag, creating a classic yet modern Sicilian noble style. #DGCelebrityPerformance# #DGSS18# #DGWomen# #Dolce&GabbanaPacificAsiaBrandAmbassadorDílìrèbā#".

The specific characteristic of exclusivity is given by the word "noble" which confers preciousness and exclusivity to both the product and the KOL wearing it. Accordingly, followers would be offered the opportunity to join higher status and approval by the group of reference (Vigneron & Johnson, 2004).

3.4.   Discussion

Nowadays, the knowledge of the most important international luxury brands seems to be a staple for Chinese students, who are more and more interested in luxury (O'Cass & Choy, 2008). Millennials have been enjoying the benefits of the openness of China to the world, and the blossom of social networks is creating a non-stop connection with the outside (Deloitte, 2018). The result is a wide knowledge of Western habits and trends, as well as the desire to follow them (Kapferer, 2015). Considering that Chinese consumers are now more familiar

with Western luxury brands than they were few years ago (Atsmon et al., 2011), as a consequence of the exposure to every kind of information, especially concerning Western habits and the latest trends, they have become familiar with foreign luxury brands (Chevalier & Pierre, 2011). In fact, the participants to the focus groups could easily mention almost thirty famous luxury brands. Italy and France are perceived as leading countries when it comes to luxury, mainly characterized by products with a unique design and unquestionable superior quality.

The economic growth China experienced in the last years and the resulting reinforcement of both middle-class and affluent segments were considered key factors for the purchase of luxury products also among young people, which desire to show their prestige and achievements (Chevalier & Pierre, 2011; Atsmon et al., 2011). For the interviewees, the luxury consumer is a person who has a superior taste in fashion and enough money to afford such taste, but also who wants to show off his/her status and distinguish from the mass. Buying luxury products is considered the personal choice of wealthy people who can afford to buy what they like without paying too much attention at the price. Thus, luxury products are also considered purchases made for the self, due to the fact that some people simply want to enjoy the elegance of fashion. It is clear that luxury is a tool to pamper the self, to increase a positive attitude toward the self and evade from the daily life (Kapferer, 2015). Lastly, others might buy luxury items to make researches, to study them and write articles on magazines or social media, which exert a strong influence on Chinese students.

The purchase of luxury brands has met the complexity of the young Chinese torn between the desire to feel cosmopolitan and the willingness to succeed in society reaching a higher social status (Gao et al., 2009).

Carrying an expensive bag or walking in a pair of luxury shoes is the way through which the new Chinese generation shows a fine taste in fashion, as well as the desire to belong with a certain social class or admired group of peers (Chan & Wang, 2015); the pressure to succeed is high in Chinese society and the display of luxury products is a way to obtain recognition, as well as a symbol of achievement, because luxury itself is a proof of wealth (Degen, 2009). This is the reason why, according to the interviewees, apart from the superior quality, recommendations from friends and family (WOM) are relevant factors in determining a luxury

purchase (Chevalier & Pierre, 2011). The family, as the group of people closer to the self, is a relevant dimension in a collectivist society where the sense of belonging influences people to the extent that a luxury purchase has the ability to positively expose the family other than the self (Degen, 2009). For example, a student from one of the focus group reported:

«I think that some cosmetics are famous for quality and beauty, so when I see other people, or my friends using them and recommending them to me, I buy them».

Even if a small portion of the students who took part in the focus groups owned a luxury product, the broad majority of them agreed on the fact that they would purchase luxury products because the quality is higher and the design is more fashionable, which demonstrates that the value of the purchase is worth the money spent on it, confirming the data of the research conducted by Atsmon et al. in 2011. However, for the young Chinese students buying a luxury product mainly implies a choice among the well-established brands: *«if no one can recognize the bag you are carrying, there is no reason to buy it»*, meaning that brand awareness and conspicuous consumption are relevant factors for the new generation (Duan & Dholakia, 2015). Moreover, luxury is generally something students cannot afford, because of the prohibitive price, and since it is perceived as something in constant evolution, keeping up with the newest trends would be way too expensive.

Nevertheless, the general opinion about owning counterfeit products is negative: the participants would rather spend more money buying original products than paying less to purchase fake luxury products, because it would be embarrassing if recognized by other people (Atsmon et al., 2011). In fact, the environment has a great importance for Chinese people, to the extent that also a counterfeit product needs to be proportioned to the social status the owner belongs to, otherwise people around would notice it, making the person lose the face, and causing shame for him/her and the family (Zhang & Kim, 2013). In fact, one of the participants to the focus groups stated:

«if you are travelling, a fake bag maybe is not a problem because no one would know if you are rich or not, but if you are in your daily life and you wear too many bags which don't match you, it is not very good». (Student, F)

Among the three different channels considered when purchasing a luxury product, namely physical stores, online/on social media, and from friends or family members who are abroad, the latter seems to be the most common practice among Chinese students. The reason is that travels are increasing among Chinese families and students, and products tend to be also cheaper abroad because free from the high taxes on luxury goods imposed by the Chinese government (Kapferer, 2015). Another way to make luxury purchases is to look at the moments on Wechat, where people post advertisements of luxury items bought abroad and resell them at a cheaper price. Social media are a popular and trusted channel in China (Phan et al., 2011), making the purchase at physical stores the last option for the interviewees.

The rapid technological development has created a unique environment for young consumers, who are fascinated by digital technologies and the innovation they have been providing to society, to the extent that they have developed a true attachment to their personal mobile devices (Gao et al., 2013). In fact, social media are considered to be the main channel to gather information about luxury brands and new products, especially Wechat and Weibo. On the former, young people tend to follow official accounts which are not owned directly by the brands but are a sort of online magazines which send the subscribers daily information about luxury and items they are interested in. Weibo is popular, too. However, on Weibo people don't always see ads about luxury brands; besides, following official accounts of single brands is not very popular because Chinese people do not have preferences about one luxury brand over the others. Another reason to prefer Wechat over Weibo is that ads on Weibo are too formal, since they are made from the brand itself; while on Wechat bloggers and magazines talk about luxury in a more authentic way, which is preferred by young people and consumers in general. However, luxury brands are characterized by a certain degree of distance, and actually prefer ads who are able to preserve that distance and create more desirability; in the same direction goes a different yet interesting opinion about the fact that the "very" luxury brands shouldn't advertise at all, because only a low percentage of consumers can afford them.

This point of view could denote a strong perceived distance between the self and the realm of luxury, which becomes symbol of a certain social class; luxury is, in fact, something not accessible to anyone and which only celebrities can afford (Kapferer, 2015).

The word-of-mouth remains another key pusher in determining a luxury purchase, in fact recommendations of friends and family are taken into great consideration by the participants, maybe even more than official advertisements on Weibo or Wechat, which are expected to become obsolete soon: Xiaohongshu is the new trend in the field of advertisement of luxury products. Celebrities and 网红 *wǎnghóng* try products and review them in this online platform which seems to be a necessity for the young Chinese who wants to discover what is new, but also be sure to not waste money on an expensive purchase (Abacus, 2018). Social media represent a crucial tool for Western luxury brands, capable of strengthening and even repositioning the image of a brand in the mindset of consumers (Phan et al., 2011). Previous studies found out how social media marketing efforts implemented by luxury brands can influence brand equity and consumer behavior toward a brand (Godey et al., 2016). Furthermore, Kim & Ko (2012) suggest that social media marketing activities provide a unique value to customers which doesn't emerge with traditional media. In particular, when approaching the Chinese market, the use of Chinese social media becomes even more strategic when it comes to establish a connection with consumers (Ng 2014).

The focus groups provide evidence on the strong use of social media platforms by Millennials: on one hand, Xiaohongshu can be considered an informal advertising channel which is highly valued by Chinese youth; on the other hand, Weibo is the most reliable social media to watch official advertisings and gather information about new luxury products on brands' official pages. Western luxury brands have been developing advertising and communication strategies, created *ad hoc* for this new generation of consumers by leveraging on Chinese social media as the main online channel (Ng, 2014).

The Weibo content analysis provides evidence of the fact that not only formal and official collaborations between brands and KOLs (to advertise the new collection or the launch of a new product), but also informal communication strategies can be an innovative approach on social media to increase interest and appreciation of the followers. Posts which show an

official collaboration between KOLs and brands, and the participation of KOLs to events hosted by the brand seem to receive a strong response from followers in terms of likes, reposts and comments: considering posts that result in the highest level of interest among followers, the majority belongs to these two categories (1. and 2.). Nevertheless, the categories that collected the highest number of posts involve KOLs wearing the brand during public events which are not hosted by the brand (3.), and KOLs wearing the brand in their daily life (4.). When a brand publishes posts in which the celebrity decides to wear and use products of the brand in his daily life or for important occasions, it creates the perception of a personal choice free from the dynamics of the traditional advertising strategies, with the aim of increasing the level of appreciation of the post. This would explain the broad use of this kind of posts as a mean of advertisement through social media in China.

Figure 12. Post by Versace (April 12, 2018): "#VStars# @Càixúkūn, member of the band NINE PERCENT from New Idol, looked handsome in Los Angeles airport wearing a sport suit from Versus Versace Spring/Summer 2018 collection. The black sport suit enriched with lines shows an independent attitude and interprets a cool street fashion style perfectly. Visit the official website to find more beautiful items".

Posts which emphasize the KOL follow the same direction: when the influencer, and not the product, is the main focus of the post, the result is an indirect strategy which uses the KOL as an instrument to break the mindset of the reader and subvert the traditional rules of communication. Apparently, the brand is in the background, not being the main focus of the communication, but it manages to strengthen its position through the endorsement of the KOL. Such category of posts is peculiar and innovative at the same time: partnerships between KOLs and brands, limited editions created in collaboration with KOLs, posts which highlight the long-lasting relationship between brands and KOLs or in which the brand expresses birthday wishes to the KOL are evidence of an intention to go beyond brands and products, obtaining popularity through *who* the followers admire. The brand establishes its position in the mind of consumers exploiting the position that the KOL already has.

Figure 13. Post by Fendi (April 20, 2018): "Ordinary clothes aren't for you? #FendiBrandAmbassadorNàzhā# really liked the idea of ''F''antastic, so we opened together a @I'mNàzhā secret account to show the creative new season. Colibrì shoes with striped socks are inspired by the Tropics, and if you feel audacious enough, the straps #FendiStrapYou# can be customized, too. This season's fashion focus is you, do you get it? #FendiRoma# FENDI Videoclip".

The present study provides evidence of the fact that communications strategies implemented by Western luxury brands on Chinese social media reflect the dynamism of a society which is experiencing a radical change and can reshape the traditional Chinese values (Duan & Dholakia, 2015). Posts published by brands on their official Weibo accounts are strongly related to the new values Chinese youth is discovering, and at the same time they promote marketing strategies which are different from the traditional ones (Kim & Ko, 2012). In fact, the process of identity creation typical of the modern Chinese (Ngai & Cho, 2012) is enhanced by marketing strategies aimed to the association of the self to the brand. The analyzed brands make large use of KOLs to promote both brand culture and values, and the involvement of Chinese influencers becomes strategic: connecting a KOL who embodies Chinese values to a Western brand can facilitate the process of value acquisition. As the influencer acquires and shares new values, the follower will adopt the values promoted and reshape his/her identity in accordance to the brand. Therefore, the present study shows how KOLs are used by Western luxury brands to promote brand values and create a link with the identity of the users.

In contrast with the traditional values, the modern Chinese consumer shows material desires and passion toward hedonic experiences. In particular, social media like Weibo are discovered to amplify the hedonic side, even when the consumption experience is utilitarian in nature (Duan & Dholakia, 2015). In such context, influencers increase personal attachment with products to promote their utilitarian and hedonic value (Lin et al. 2018); in the luxury sector, the latter prevails. Moreover, the adoption of Chinese influencers allows brands to reinforce their connection with the Chinese market (Ng 2014).

In line with the previous research, the brands analyzed in this study make great efforts in promoting hedonic experiences through KOLs. In fact, findings highlight the wide use of posts in which the KOL is linked to hedonic values, along with the strong response of users in terms of likes, comments and shares toward such posts.

The perceived uniqueness linked to exclusivity and rarity of luxury products is also enhanced by collaborations with KOLs: influencers become a staple for luxury brands which are engaged in social media communication (Ng 2014), and posts promoting exclusivity, rarity and preciousness are a relevant part. On one hand, luxury brands are the symbol of exclusivity and produce what only a few can afford; on the other hand, KOLs represent something highly

valuable for the follower because of their belonging to an elite. Brands are found to strategically combine such two features to create powerful posts capable of strengthening the perceived uniqueness through the use of Chinese influencers.

Lastly, the themes of quality and conspicuousness represent an important aspect of the present research, even though they are found only in a small part of the sample.

When consumers perceive high quality, they are more willing to purchase luxury products (Jiang & Shan, 2016). Transmitting brand culture, history and craftsmanship becomes today a key element for luxury brands willing to implement online communication strategies (Ng, 2014). Evidence from the present study points out that the latter is a common practice for the world's largest luxury firms on the Chinese social media Weibo: Cartier, Bulgari, Dolce&Gabbana, Fendi, Gucci are example of promoting brand's roots and deep values to advertise a product. As quality is not only represented by fine material and artisan manufacture but is also enriched by the context and the history behind the production process, brands highlight the added value of quality as a complex yet exclusive part of luxury.

Luxury consumption has been experiencing a switch from the traditional conspicuousness to a new and more identity-related inconspicuousness all over the world (Makkar & Yap, 2018). As the modern luxury consumer has the desire to be unique buying more subtle luxury items, the trend to perceive luxury as an instrument of social recognition, as in the past, is decreasing, and brands are consequently abandoning the apparently evergreen monogram prints and visible logos in order to give their products a more sophisticated taste. However, data from the present research bring to light that conspicuousness in China is far from outdated, in line with the study of Grier et al. (2016). In fact, the choices of luxury brands on Chinese social media seem to oppose the latest worldwide trend of inconspicuousness with a more conservative approach which stresses the elitist nature of luxury products. The involvement of influencers, especially if Chinese, results in an increasement of the conspicuous element: KOLs are perceived as members of a social class the modern Chinese desires to belong with, and when they are shown wearing luxury products such perception is amplified. The luxury brands taken into account seem to exploit the need of social recognition of the contemporary Chinese (Chan & Wang, 2015) through the creation of contents which communicate conspicuousness.

From the consumer perspective, regarding the official advertisement of luxury products, the participants to the focus groups expressed a strong interest in the appearance of the model starring the ad, considered the most important and attracting feature, along with the design of the product itself. Partnerships with celebrities are a necessity for strong companies which need to show their influence through commercials (Hu, 2018a). The choice of international celebrities is generally preferred if famous in China, but Chinese celebrities are sometimes considered a more attractive element in ads; the main reason is that products do not always fit Chinese people's physical characteristics, and this is why having a Chinese star in the advertisement is considered a proof that the product is also suitable for Asian people.

A statement by one of the interviewed students follows:

«I think some ads of luxury products are just like artworks, the photos are very beautiful, and I think the selection of models is also very important. For example, D&G in China has a star from Xinjiang, Dílìrèbā, and many people think that her appearance is very appropriate for the image of the product». (Student, F)

The role of KOLs has proven to be of considerable importance in enhancing brand consciousness and interest toward a product (Dhaoui, 2014); the perception about collaborations between foreign luxury brands and Chinese celebrities is generally positive and seems to be an effective advertising strategy (Lin et al., 2018). However, brands should be careful, because consumers are aware that partnerships are a strategic commercial move and don't necessary mean that the star is interested in or passionate about a brand. In fact, when a celebrity is seen in too many ads, it can even create a negative attitude toward the brand.

Interaction and engagement with luxury brands is considered a positive aspect of social media, even if the interviewees tend to act in a more passive way: they would post contents referring to the luxury products owned but would rarely tag the brand. In fact, the most common behavior on social media is just watching videos or reading reviews on luxury products and sharing them only if they need to justify a certain purchase, denoting a concern to obtain the

approval of the group of admired friends. The phenomenon known as "Veblen effect" finds in the attitude of Chinese people towards luxury a valid proof: conspicuous consumption is a way to mark a certain status or the belonging to a social class (Gao, 2009). Sometimes the interviewees post pictures about luxury products with the aim of reviewing and giving recommendations to friends, miming exactly what a famous 网红 *wǎnghóng* would do on social media.

Conclusion

The Chinese market is a complex environment that requires a careful analysis before being approached: the generation of young Chinese consumers is influenced by the cultural heritage made of traditions which are still deeply rooted in society, and the gradual diffusion of new habits as a consequence of the growing contact with Western countries.

Therefore, consumers' purchasing habits are changing under the influence of international trends and values, to which Western luxury brands have been giving a substantial contribute.

The results of my empirical research conducted on Chinese university students point out important findings: first, compared to the former generation, Millennials are more acquainted to Western luxury brands, which are perceived as superior in terms of quality and design. Second, the collectivistic dimension of culture still exerts a certain influence on some aspect of consumers' buying patterns toward luxury products: consumers tend to purchase luxury to show social status and personal achievements; thus, the tendency is to buy original luxury goods of famous brands, which can be easily recognized by other people. Also, the opinion of family and friends is still taken into great consideration and it seems to be the most powerful factor leading to the purchase of luxury products. Third, the two main peculiarities of Chinese Millennials, found to be the large use of social media and the frequent travels abroad, result in the growth of a unique distribution channel composed of relatives and friends who purchase luxury products when abroad or retailers who purchase large quantities of luxury goods abroad and resell them using social media platforms, which have become both online retailing channels and platforms to gather information about luxury, especially WeChat and Weibo.

In light of this, foreign luxury brands need to use innovative communication strategies to enter China and win the attention of Chinese consumers, focusing on digital advertising and the use of KOLs.

The world's leading luxury brands have already given proof of the power of digital communications, showing that the use of social media in particular is a necessity to meet needs and expectations of the young segment of consumers.

Specifically, the content analysis of Weibo posts shows that the choice of a social media approach including KOLs is common among Western luxury brands in China, because it enhances consumer involvement toward brands and products, and facilitates the transmission of new values to consumers. KOLs can promote hedonic experiences and conspicuous consumption, which are two growing aspects of Chinese consumers' attitude toward luxury. Lastly, brands exploit the influential power of key opinion leaders to promote brand's identity and re-shape consumers' one, contributing to the diffusion of a more individualistic attitude, as opposed to the traditional collectivistic one. Therefore, a new type of informal communication leveraging on Chinese social media and focusing on KOLs rather than formal and official advertising is found to attract Chinese consumers the most and create the highest level of engagement.

In conclusion, Western luxury brands in China should implement digital communications through Chinese social media and Chinese KOLs in order to attract Millennials, the young segment of consumers characterized by a growing interest in luxury, who will soon constitute the main and most powerful point of reference in terms of consumer-base for luxury brands worldwide.

Appendix 1

QUESTIONS ASKED DURING THE FOCUS GROUPS:

1. Can you mention any international luxury brand?

2. Do you own any luxury product of such brands?

3. As foreign brands are becoming very popular also among young people, what are in your opinion the reasons why they buy luxury products?

4. Which is your opinion about young people purchasing luxury products?

5. Is there a country that you associate with luxury products? What are the characteristics that distinguish such products?

6. What do you think about counterfeit luxury products?

7. Where did you buy luxury products? Can you describe the process from when you started to consider the purchase to the actual purchase? Where did you search for information? Which brands did you consider? Where did you go... etc.?

8. How you get to know the launch of a luxury product?

9. Do you think that social media play an important role when it comes to the advertisement of luxury products?

10. When you watch advertisements of luxury products, which is the characteristic that attracts you the most? If it is starred by a famous Chinese celebrity, would you be more attracted?

11. Do you use social media to talk about luxury products or to post pictures or information about luxury products you have?

12. Have you ever taken part into contests organized by luxury brands on social media? Do you think this kind of strategy is a good advertising choice or it wouldn't have any effects on your willingness to purchase?

Appendix 2

TOP FIVE POSTS: LIKES

CHINESE POST	ENGLISH POST	BRAND	REPOST	COMMENTS	LIKES	VIEWS (VIDEO)	MEDIA	NATIONALITY OF KOL
#DIORHOMMEGOLDCAPSULE系列#青年演员@向佐JackyHeung身穿DIOR HOMME二零一八秋季GOLD CAPSULE系列亮相开幕酒会，利落裁剪的西装完美衬托挺括身型，演绎雅痞绅士的时尚型格。	#DIORHOMMEGOLDCAPSULE collection # the young actor @xiàngzuǒJacky Heung dressed in DIOR at the cocktail party of the launch of Dior Spring/Summer 2018 ready-to-wear collection. The neat customized tuxedo was perfectly suitable for his body and created an elegant and sober fashion style.	Dior	5581	1282	48400		Photo	Hong Kong
#爱若初见# 一次激烈的争吵后，他们终于确认了彼此的初心；一枚卡地亚 Destinée 订婚钻戒，敲开了两人初次萌动时的怦然心动。 这场求婚里不约而同的	#love at first sight# After a fierce quarrel, they finally acknowledged their desire. A Cartier Destinée diamond engagement ring. As they opened the box for the first time their heart skipped a beat. The tacit understanding of	Cartier	22416	3485	42421	55,9 million	Video	Chinese

默契，如同爱情的命中注定。卡地亚携手品牌挚友@黄轩的微博浪漫演绎全新爱情微电影《爱若初见》，致敬真挚爱情。 L 卡地亚Cartier 的秒拍视频	this marriage proposal is like the fate of love. Cartier partnered with the brand's friends @Huángxuān's Weibo for a romantic interpretation of the new online romantic movie "Love at First Sight", to pay tribute to true love. Videoclip link							
#豹姿魅影# 她，不在乎外界的声音，只忠于倾听内心；她，不断探知自我边界，如猎豹般勇往直前。卡地亚品牌挚友@辛芷蕾 全新演绎《豹姿魅影》微电影，佩戴#PanthèredeCartier# 腕表化身猎豹女郎，彰显当代摩登女性忠于自我、独立自信、不断探索的态度。点击视频，即刻探索摩登	#pantherphantom# she doesn't care about the voices coming from the outside, she's only loyal to her heart; she constantly explores the boundaries of the self, like a cheetah she advances bravely. Cartier's friend @Xīnzhǐlěi performs a brand-new interpretation in the "Phanter Phantom" online video, wearing #PanthèredeCartier# watch, incarnation of the Cheetah girl, symbol of the modern woman	Cartier	5327	2558	30278	59,4 million	Video	Chinese

魅力。 L 卡地亚 Cartier 的秒拍视频	loyal to herself, independent and self-confident, constantly exploring her personal attitude. Watch the video to look at its modern glamour. Videoclip link							
青年演员@向佐JackyHeung 精彩演绎 DIOR HOMME二零一八秋季 ATELIER系列，勃艮第红色与黑色圆筒包交叉斜挎，彰显不羁个性。	The young actor @XiàngzuǒJackyHeung gives a wonderful interpretation of DIOR HOMME Fall 2018 ATELIER collection. The burgundy red and black cylinders reveal an unruly personality.	Dior	15914	664	30165		Photo	Hong Kong
#V 星闻#新晋偶像组合 NINE PERCENT 成员@蔡徐坤 身着 Versus Versace 2018 春夏系列运动套装，帅气现身洛杉矶机场。率性黑色运动套装拼接格纹纹路，于随性中展现特立独行的潮流	#VStar# @Càixúkūn, member if the New idol band NINE PERCENT, looked handsome in Los Angeles airport wearing a sport suit from Versus Versace Spring/Summer 2018 collection. The black sport suit with lines shows an independent attitude, and perfectly	Versace	245197	26035	28215		Photo	Chinese

态度，完美诠释酷感十足的街头风尚。登录官方网站 O 网页链接，发现更多精美单品。	interprets a cool street fashion style. Visit the official website to find more beautiful items.							

Appendix 3

TOP FIVE POSTS: REPOSTS

CHINESE POST	ENGLISH POST	BRAND	REPOST	COMMENTS	LIKES	VIEWS (VIDEO)	MEDIA	NATIONALITY OF KOL
路易威登北京 Espace 文化艺术空间，于2018年5月10日举办美国艺术家 Richard Prince (理查德·普林斯） 典藏精选展览开幕酒会，@范丞丞Adam0616 出席活动现场。本次展览将持续至2018年9月2日。地址：北京市朝阳区建国门外大街1号 国贸商城西楼 @路易威登基金会	Louis Vuitton Beijing Culture and Art Space "Espace", on May 10, 2018, held the opening of the exhibition of the collection of the American artist Richard Prince, and @fànchéngchéngAdam0616 attended the event. The exhibition will last until September 2, 2018. Address: No. 1, Jianguomenwai Avenue, Chaoyang District, Beijing, China, Guomao Shopping mall, West building. @LouisVuittonFoundation	Louis Vuitton	1033829	36657	20777		Photo	Chinese
是优雅的沉淀，也是华丽的蜕变。四年前，你见证 LVCEA 的诞生，四年后的今天，LVCEA Tubogas 光环腕表见证你成长为光环女神，一颦	It is an elegant rising, but also gorgeous transformation. Four years ago, you witnessed the birth of LVCEA. Four years later, the LVCEA Tubogas Halo watch witnessed your	Bulgari	378636	1911	5425		Photo	Chinese

一笑间， @唐嫣，#你的光环#，始终闪耀。	transformation into a halo goddess. With every frown and every smile, @Tángyān, #your halo# always shines.							
TFBOYS组合成员@TFBOYS-易烊千玺 身穿 DIOR HOMME 二零一八夏季系列演绎时尚街拍。身背艺术家合作系列双肩包， 鲜明的人物肖像引入眼帘，衬托出少年非凡气韵。	TFBOYS member @TFBOYS-Yìyáng qiānxǐ was wearing DIOR HOMME 2018 summer collection for a fashion shooting. On the backpack designed in collaboration with the artist, the vivid portrait brings out the extraordinary charm of a young star.	Dior	332284	3409	16507		Photo	Chinese
#GivenchyFashionShow##GIVENCHY 纪梵希#2018秋冬女士及男士系列发布会于北京时间3月4日下午17点华丽揭幕。@TFBOYS-王源 ，以 #GIVENCHY 纪梵希#2018春夏系列黑色复古机车皮夹克，搭配薄荷绿丝绸衬衫、黑色修身牛仔裤、白色腰带及黑色短靴亮相，酷帅有型。#	#GivenchyFashionShow# #GIVENCHYGivenchy# 2018 Fall/Winter women and men collection's conference was held on March 4th at 17:00 pm, Beijing time. @TFBOYS-Wángyuán, was dressed in #GIVENCHY# Spring/Summer 2018 collection, wearing a black vintage leather jacket, a mint-green silk shirt, black slim jeans, a white belt and black boots, looking cool and	Givenchy	306779	4668	12434		Photo	Chinese

纪梵希王源#O网页链接	handsome. #WángyuánforGivenchy# Website link							
梦与现实中间，是用记忆串起的情愫。#GIVENCHY 纪梵希#携手@TFBOYS-王源，在一场停留巴黎的短暂梦境中，揭晓一个名为 GV3，寓意永恒的爱的密码。#纪梵希王源#视频来源：NOWNESS LGivenchy 纪梵希的秒拍视频	Between dream and reality, memories are strung together. #GIVENCHY# partnered with @TFBOYS-Wángyuán to reveal a code named GV3 which symbolizes eternal love, during his days in Paris. #WángyuánforGivenchy# Video source: NOWNESS Givenchy videoclip	Givenchy	266148	11994	16793	1,5 million	Video	Chinese

Appendix 4

TOP FIVE POSTS: COMMENTS

CHINESE POST	ENGLISH POST	BRAND	REPOST	COMMENTS	LIKES	MEDIA	NATIONALITY OF KOL
路易威登北京 Espace 文化艺术空间，于2018年5月10日举办美国艺术家 Richard Prince (理查德・普林斯）典藏精选展览开幕酒会，@范丞丞 Adam0616 出席活动现场。本次展览将持续至2018年9月2日。地址：北京市朝阳区建国门外大街1号 国贸商城西楼 @路易威登基金会	Louis Vuitton Beijing Culture and Art Space "Espace", on May 10, 2018, held the opening of the exhibition of the collection of the American artist Richard Prince, and @fànchéngchéngAdam0616 attended the event. The exhibition will last until September 2, 2018. Address: No. 1, Jianguomenwai Avenue, Chaoyang District, Beijing, China, Guomao Shopping mall, West building. @LouisVuittonFoundation	Louis Vuitton	1033829	36657	20777	Photo	Chinese
#V 星闻#新晋偶像组合 NINE PERCENT 成员 @蔡徐坤 身着 Versus Versace 2018春夏系列运动套装，帅气现	#VStar# @Càixúkūn, member if the New idol band NINE PERCENT, looked handsome in Los Angeles airport wearing a sport suit from Versus Versace	Versace	245197	26035	28215	Photo	Chinese

113

身洛杉矶机场。率性黑色运动套装拼接格纹纹路，于随性中展现特立独行的潮流态度，完美诠释酷感十足的街头风尚。登录官方网站 O 网页链接，发现更多精美单品。	Spring/Summer 2018 collection. The black sport suit with lines shows an independent attitude, and perfectly interprets a cool street fashion style. Visit the official website to find more beautiful items.						
人气偶像组合@NINEPERCENT 官博 成员@小鬼-王琳凯 @林彦俊 @尤长靖出席@南通文峰大世界 和石家庄北国商城 FENDI 腕表专卖店开幕剪彩，领略 FENDI 腕表魅力！#Fendi 腕表# #FendiHour# #FendiRoma#	The members of the popular boy band @NINEPERCENT official @LittleGhost-Wánglínkǎi, @Línyànjùn and @Yóuzhǎngjìng attended the FENDI watch store opening at @NántōngWénfēng World in Shijiazhuang Northland Mall and enjoyed the charm of FENDI's watches! #Fendi watches# #FendiHour# #FendiRoma#	Fendi	215933	17046	8287	Photo	Chinese; Malaysian
@唐嫣 身着路易威登成衣系列，出席路易威登 2018 秋冬女装	@Tángyān, dressed in Louis Vuitton ready-to-wear collection, enjoyed a wonderful	Louis Vuitton	31200	14605	14788	Photo	Chinese

秀，于巴黎卢浮宫博物馆内留下精彩瞬间。#路易威登女装秀#	moment at Louvre Museum in Paris for the fashion show of Fall/Winter 2018 women collection. #LouisVuittonWomencollectionshow #						
@CPOPKing-黄子韬 出席 SAINT LAURENT #WINTER18# BY ANTHONY VACCARELLO 时装秀 2月27日 - TROCADÉRO - PARIS #YSL##SaintLaurent##YvesSaintLaurent##巴黎时装周#	@CPOPKing-huáng zǐtāo at SAINT LAURENT #WINTER18# BY ANTHONY VACCARELLO fashion show. February 27 - TROCADÉRO - PARIS #YSL# #SaintLaurent# #YvesSaintLaurent# #ParisFashionWeek #	Yves Saint Laurent	34351	14030	1400	Photo	Chinese

References

Abacus (2018). China Internet Report. Available at https://www.abacusnews.com/china-internet-report/ (accessed September 24, 2018).

Atsmon, Y., Dixit, V., & Wu, C. (2011). Tapping China's luxury-goods market. *McKinsey Quarterly.* Available at https://www.mckinsey.com/business-functions/marketing-and-sales/our-insights/tapping-chinas-luxury-goods-market (accessed September 24, 2018).

Bai, H., McColl, J., & Moore, C. (2017). Luxury retailers' entry and expansion strategies in China. *International Journal of Retail & Distribution Management, 45*(11), 1181-1199.

Bain & Company (2016). *Luxury goods worldwide market study, as luxury resets to a new normal, strategy becomes paramount, Fall-Winter 2016*. Available at http://www.bain-company.ch/Images/REPORT_Luxury_Goods_Worldwide_Market_Study_2016.pdf (accessed September 24, 2018).

Barber, N. (2013). Investigating the potential influence of the internet as a new socialization agent in context with other traditional socialization agents. *Journal of Marketing Theory and Practice, 21*(2), 179–193.

Bian, Q., & Forsythe, S. (2012). Purchase intention for luxury brands: A cross cultural comparison. *Journal of Business Research, 65*(10), 1443-1451.

Blázquez, M. (2014). Fashion shopping in multichannel retail: The role of technology in enhancing the customer experience. *International Journal of Electronic Commerce, 18*(4), 97–116.

CeSIF (2018). *Cina. Scenari e prospettive per le imprese, IX Rapporto Annuale CeSIF*. Available at http://www.italychina.org/en/cesif/rapporto-annuale/ (accessed September 24, 2018).

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

CNNIC (2018). *Statistical report on Internet development in China (January 2018)*. Available at https://cnnic.com.cn/IDR/ReportDownloads/201807/P020180711391069195909.pdf (accessed September 24, 2018).

Chan, K.K., & Wang, X. (2015). Exploring the antecedents and consequences of míng pái kòng (brand name fanaticism) among China's generation Y. *Journal of Global Marketing, 28*(2), 67-82.

Checchinato, F., Hu, L., & Vescovi, T. (2014). L'adozione di prodotti alimentari stranieri in mercati culturalmente distanti: il caso dei dolci in Cina, in XI Convegno Società Italiana di Marketing, 18-19 September 2014, Italy.

Chevalier, M., & Pierre X.L. (2011). *Luxury China: Market Opportunities and Potential*. John Wiley & Sons, Incorporated.

Chiu, C., Ip, C., & Silverman, A. (2012). *Understanding social media in China*. McKinsey Quarterly. Available at https://www.mckinsey.com/business-functions/marketing-and-sales/our-insights/understanding-social-media-in-china (accessed September 24, 2018).

Chu, S.C., Lien, C.H., & Cao, Y. (2018). Electronic word-of-mouth (eWOM) on WeChat: examining the influence of sense of belonging, need for self-enhancement, and consumer engagement on Chinese travelers' eWOM. *International Journal of Advertising*.

Conick, H. (2018). How to win friends and influence millions: the rules of influencer marketing. *Marketing News, 52*(7), 36-45.

Dabholkar, P.A., & Sheng, X. (2009). The role of perceived control and gender in consumer reactions to download delays. *Journal of Business Research, 62*(7), 756–760.

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

Doctoroff, T. (2005). *Billions: Selling to the New Chinese Consumer*. New York, NY: Palgrave Macmillan.

Duan, J., & Dholakia, N. (2015). The reshaping of Chinese consumer values in the social media era. *Qualitative Market Research: An International Journal, 18*(4), 409-426.

Degen, R. (2009). Opportunity for luxury brands in China. *IUP Journal of Brand Management, 6* (3/4), 75-85.

Deloitte (2018). *Global Powers of Luxury Goods 2018*. Available at https://www2.deloitte.com/it/it/pages/consumer-business/articles/gx-cb-global-powers-of-luxury-goods.html (accessed August 7, 2018).

Dhaoui, C. (2014). An empirical study of luxury brand marketing effectiveness and its impact on consumer engagement on Facebook. *Journal of Global Fashion Marketing, 5*(3), 209-222.

Diaconu, V.I., & Cerceloiu, M.L. (2017). Challenges faced by brand managers in the luxury industry: Attitudes and motivations of luxury clothing consumers. *Journal of Marketing Research and Case Studies*.

Durvasula, S., & Lysonski, S. (2008). A double-edged sword: understanding vanity across cultures. *Journal of Consumer Marketing, 25*(4), 230-244.

Gao, L. (2009). Potential niche markets for luxury fashion goods in China. *Journal of Fashion Marketing and Management, 13*(4), 514-526.

Gao, T.T., Rohm, A.J., Sultan, F., & Pagani, M. (2013). Consumers un-tethered: A three-market empirical study of consumers' mobile marketing acceptance. *Journal of Business Research, 66*(12), 2536-2544.

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

Giovannini, S., Xu, Y., & Thomas, J. (2015). Luxury fashion consumption and generation Y consumers: Self, brand consciousness, and consumption motivations. *Journal of Fashion Marketing and Management, 19*(1), 22-40.

Godey, B., Manthiou, A., Pederzoli, D., Rokka, J., Aiello, G., Donvito, R., & Singh, R. (2016). Social media marketing efforts of luxury brands: Influence on brand equity and consumer behavior. *Journal of Business Research, 69*(12), 5833-5841.

Grier, K.B., Hicks, D.L., & Yuan, W. (2016). Marriage market matching and conspicuous consumption in China. *Economic Inquiry, 54*(2), 1251-1262.

Hofstede, G. (1984). Cultural Dimensions in Management and Planning. *Asia Pacific Journal of Management*, *1*, 81- 99.

Hu, L. (2018a). Luxury brand communication on social media: A qualitative study of the Chinese market. *2018 Global Marketing Conference at Tokyo Proceedings*, 26-29 July 2018, p. 707.

Hu, L. (2018b). The Chinese market as an opportunity to innovate distribution strategies?: Evidences from Italian firms. *European Business Review, 30*(5), 607-626.

Jiang, L., & Shan, J. (2016). Genuine brands or high-quality counterfeits: An investigation of luxury consumption in China. *Canadian Journal of Administrative Sciences*, *35*(2), 183-197.

Jin, A.S.A. (2012). The potential of social media for luxury brand management. *Marketing Intelligence & Planning, 30* (7), 687–699.

Kapferer, J.N. (2015). The future of luxury: Challenges and opportunities. *Journal of Brand Management, 21*(9), 716-726.

Kapferer, J.N., & Bastien, V. (2008). The specificity of luxury management: turning marketing upside down. *Brand Management, 16*(5/6), 311-322.

Kapferer, J.N., & Valette-Florence, P. (2018). The impact of brand penetration and awareness on luxury brand desirability: A cross country analysis of the relevance of the rarity principle. *Journal of Business Research, 83*, 38-50.

Kim, A.J., & Ko, E. (2012). Do social media marketing activities enhance customer equity? An empirical study of luxury fashion brand. *Journal of Business Research, 65*(10), 1480-1486.

Kupfer, A.K., Pähler vor der Holte, N., Kübler, R.V., & Hennig-Thurau, T. (2018). The role of the partner brand's social media power in brand alliances. *Journal of Marketing, 82*(3), 25–44.

Kwon, J.H., Seo, Y., & Ko, D. (2016). Effective luxury-brand advertising: The ES–IF matching (entity–symbolic versus incremental–functional) model. *Journal of Advertising, 45*(4), 459–471.

Li, G., Li, G., & Kambele Z. (2012). Luxury fashion brand consumers in China: Perceived value, fashion lifestyle, and willingness to pay. *Journal of Business Research, 65*(10), 1516-1522.

Lin, H.C., Bruning, P.F., & Swarna, H. (2018). Using online opinion leaders to promote the hedonic and utilitarian value of products and services, *Business Horizons, 61*(3), 431-442.

Makkar, M., & Yap, S.F. (2018). The anatomy of the Inconspicuous Luxury Fashion Experience. *Journal of Fashion Marketing and Management: An International Journal, 22*(1), 129-156.

McKinsey & Company (2018). *The Age of Digital Darwinism*. Available at https://www.mckinsey.com/~/media/mckinsey/industries/retail/our%20insights/luxury%20in%20the%20age%20of%20digital%20darwinism/the-age-of-digital-darwinism.ashx (accessed September 24, 2018).

Moore, R.L. (2005). Generation Ku: Individualism and China's millennial youth. *Ethnology, 44*(4), 357-376.

Morra, M.C., Gelosa, V., Ceruti, F., & Mazzucchielli, A. (2017). Original or counterfeit luxury fashion brands? The effect of social media on purchase intention. *Journal of Global Fashion Marketing, 9*(1), 24-39.

Ng, M. (2014). Social media and luxury fashion brands in China: the case of Coach. *Journal of Global Fashion Marketing, 5*(3), 251-265.

Ngai, J., & Cho, E. (2012). The young luxury consumers in China. *Young Consumers, 13*(3), 255-266.

O'Cass, A., & Choy, E. (2008). Studying Chinese generation Y consumers' involvement in fashion clothing and perceived brand status. *Journal of Product & Brand Management, 17*(5), 341-352.

Euromonitor International (2018). *Consumer lifestyles in China*. Available at https://www.euromonitor.com/consumer-lifestyles-in-china/report (accessed September 24, 2018).

Pentina, I., Guilloux, V., & Micu, A.C. (2018). Exploring social media engagement behaviors in the context of luxury brands. *Journal of Advertising, 47*(1), 55-69.

Phan, M., Thomas, R., & Heine, K. (2011). Social media and luxury brand management: The case of Burberry. *Journal of Global Fashion Marketing, 2*(4), 213-222.

Samarani, G., & Graziani, S. (2017). La politica estera cinese in prospettiva storica. *Nuova Secondaria, 8*, 30-33.

Simmers, C., Parker, R.S., & Schaefer, A.D. (2014). The importance of fashion: The Chinese and U.S. gen Y perspective. *Journal of Global Marketing, 27*(2), 94-105.

Theurillat, T., & Donzé, P.Y. (2017). Retail networks and real estate: the case of Swiss luxury watches in China and Southeast Asia. *The International Review of Retail, Distribution and Consumer Research, 27*(2), 126-145.

Tsai, W.S., Yang, Q., & Liu, Y. (2013). Young Chinese consumers' snob and bandwagon luxury consumption preferences. *Journal of International Consumer Marketing, 25*(5), 290-304.

Vigneron, F., & Johnson, L.W. (2004). Measuring perceptions of brand luxury. *Brand Management, 11*(6), 484-506.

Wei, L., Willnat, L., & Shao, L. (2012). Cultural differences in the use of Web 1.0 and Web 2.0: A comparative analysis of Chinese and American youth. *China Media Research, 8*(4), 77-89.

Wilcox, K., Kim, HM., & Sen, S. (2009). Why do consumers buy counterfeit luxury brands?. *Journal of Marketing Resarch, 46*(2), 247-259.

Xie, W., Zhao, Y., & Xie, W. (2013). The effects of interface design of hand-held devices on mobile advertising effectiveness among college students in China, *IJMM, 8*(1), 46-61.

Yu, L., Asur, S., & Huberman B.A. (2011). *What Trends in Chinese Social Media*. Available at https://arxiv.org/pdf/1107.3522.pdf (accessed September 24, 2018).

Yu, L., & Suen, H.K. (2005). Historical and contemporary exam-driven education fever in China. *KEDI Journal of Educational Policy, 2*(1), 17-33.

Yu, S., Hudders, L., & Cauberghe, V. (2017). Targeting the luxury consumer: A vice or virtue? A cross-cultural comparison of the effectiveness of behaviorally targeted ads. *Journal of Fashion Marketing and Management, 21*(2), 187-205.

Zha, X., Li, J., & Yan, Y. (2015). Advertising value and credibility transfer: attitude towards web advertising and online information acquisition. *Behaviour & Information Technology, 34*(5), 520–532.

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

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

Zhao, K., Zhao, X., & Deng, J. (2016). An empirical investigation of online gray markets. *Journal of Retailing, 92*(4), 397-410.

Acknowledgments

In primo luogo, desidero ringraziare la Professoressa Lala Hu, la quale, pazientemente e sapientemente, mi ha accompagnato durante questo lavoro di tesi con immancabile sostegno e preziosi consigli.

Ringrazio la mia famiglia: mio padre Roberto, mia madre Antonella e mia sorella Arianna, che mi donano ogni giorno amore e supporto inestimabili. Sono e saranno sempre i miei più grandi punti di riferimento.

Ringrazio zia Celeste, zia Marina e zio Claudio, che insieme a tutti gli altri zii e cugini mi hanno regalato momenti di spensieratezza e di crescita personale; ringrazio Summer, parte integrante della famiglia, che riempie di dolcezza le mie giornate.

A conclusione di questo percorso universitario, non posso fare a meno di ringraziare chi lo ha reso indimenticabile: Arianna, collega, coinquilina e soprattutto amica, con la quale ho condiviso tensioni, preoccupazioni, soddisfazioni e traguardi, creando un legame solido e speciale; Ruth, che con la sua energia e diligenza è stata una figura fondamentale degli ultimi due anni; Francesca, senza la quale i mesi trascorsi a Pechino non sarebbero stati gli stessi.

Ringrazio gli amici più cari: Mario, Pasquale e Franco, ai quali sono grata per i pareri diretti, le parole di conforto, l'affetto, la vicinanza da sempre e la voglia di restare anche quando tutto il resto è cambiato; Enza, che mi conosce alla perfezione, sostiene le mie decisioni e mi sprona a dare il meglio, è come una sorella per me; Sabina, con la quale ho condiviso momenti importanti e ho sempre avuto un confronto sincero; Lucrezia, per la sua spontaneità e sorprendente fermezza nei momenti giusti; Carla, che riesce a capirmi e a darmi consigli trasmettendomi grinta e fiducia.

Ringrazio, infine, Marco, perché mi accompagna nelle scelte con rispetto e serenità, mi incoraggia con sicurezza, mi spinge ad affrontare i cambiamenti con entusiasmo. È ormai una figura essenziale nella mia vita, che arricchisce di gioia, complicità ed unicità ogni istante trascorso insieme.