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Paper: Federica Codignola

Cross-cultural implications in luxury brands social media advertising in China: A conceptual overview



Background 1/2

Luxury Growth in China: Opportunities and Challenges

- While top luxury consumers — the ones who spend over 300,000 Chinese yuan (38,000 €) annually on luxury goods — only account for 10% of the overall population, they contributed to nearly 40% of the total consumption of luxury products in 2022
- Affluent consumers in China are the key drivers of the luxury market
- Affluent consumers in China will continue to grow over the next decade. Consequently, the luxury market is expected to maintain a positive growth trajectory

Sources: ["Insights Report on Digital Trends in the Chinese Luxury Goods Market in 2022"](#) by Tencent Marketing Insights and Boston Consulting Group, 2022; Ashley Dudarenok, China digital marketing expert and founder of China digital marketing agency Alarice, in Jing Daily, 2023; [National Bureau of Statistics](#), 2023; [Goldman Sachs](#) Report, 2023

Background 2/2

Luxury Growth in China: Opportunities and Challenges

- Luxury brands must adapt their marketing strategies to better engage and attract Chinese luxury consumers. However, to do so, they should better understand luxury Chinese consumers alongside with their 'environment'
- In fact, dealing with China implies to deal with specific challenges, including unique regulations, unique digital platforms (e.g., WeChat, Weibo, XiaoHongShu, Douyin), and a **unique culture**

Sources: "[Insights Report on Digital Trends in the Chinese Luxury Goods Market in 2022](#)" by Tencent Marketing Insights and Boston Consulting Group, 2022; Ashley Dudarenok, China digital marketing expert and founder of China digital marketing agency Alarice, in Jing Daily, 2023; [National Bureau of Statistics](#), 2023; [Goldman Sachs](#) Report, 2023

Paper's ratio

- As academic studies confirm 1) the pivotal **role of digital communication strategies in luxury**, particularly with reference to **social media** (Harfoushi et al. 2013; Park et al. 2021) and 2) to the critical function of **social media advertising in the Chinese luxury market** (Jin, 2012)

this paper seeks to identify some key conceptual factors related to the Chinese cultural context to develop successful social media advertising strategies for luxury brands in China

- In order to do so, it uses a qualitative methodology based on the observation of both **Chinese luxury market's** facts and **cross-cultural** or related **consumer behavior theory**

The paper, hence, also seeks to better understand the cross-cultural theory's role in creating effective social media advertising strategies

The Cross-Cultural Theoretical Framework / Understanding Cultural Differences: Hall's and Hofstede's Models

- Research has evidenced the importance of understanding cultural differences for effective social media advertising strategies (de Mooij and Hofstede 2010)
- Research has scrutinized cultural differences throughout two pivotal major cross-cultural models: Hall's model (1976) and Hofstede's model (1980)

Hall's Model

- Categorizes cultures into high-context and low-context
- Highlights the impact of cultural differences on visual and creative advertising strategies, with a focus on consumer behavior
- Emphasizes that in China, as a high-context culture, **emotional** and **non-verbal communication** are more relevant
- Emphasizes that in China, as a high-context culture, people are more interested in **emotions conveyed by advertisements rather than detailed information**

Hofstede's Model

- The model is based on 6 dimensions: Power Distance, Masculinity/Femininity, Uncertainty Avoidance, Individualism/Collectivism, Long/Short Term Orientation, and Indulgence/Aggressiveness
- Emphasizes China's **long-term** orientation and the significance of **power distance** in societal structures
- Evidences China's **collectivist** nature and the consequent influence of cultural traits on communication channels such as **word-of-mouth** or **rating systems**
- Highlights the importance for Chinese consumers to seek **opinions** and **share experiences on social media**

Consumer behavior theory

- From the cross-cultural Hall's and Hofstede's models, consumer behavior theory translates the Chinese cultural peculiarities of high-context culture, collectivist values, and masculine values into three main psychological traits:
 - **value** consciousness
 - susceptibility to **normative influence**, and
 - need for **uniqueness** (Zhan and He 2012)

Implications

- To take into account the cultural differences emerging from Hall's and Hofstede's theoretical models and the subsequent consumer behavior theory's psychological traits, may result relevant to efficaciously adapt communication strategies for the luxury Chinese target audience
- However, due to the rapid changes of the Chinese economic, socio-cultural, and technological environment, we argue that an integration with constantly updated Chinese luxury consumers' market facts and data is fundamental

Conclusions 1/2

- By following the emerged specific cultural characteristics of Chinese luxury consumers, social media advertising messages tailored for Chinese platforms must stress the elements of
 - **functional + emotional value** (long-term value/return) in terms of *exclusivity, prestige, uniqueness, sense of identity, entertainment, exploration, creativity, innovation, high-end quality, trustiness, confidence, humility, flexibility*
- while taking into account the significance of
 - **personal relationships/networking, sharing, consumer sentiment** influence, **cultural sensitivity**
- and while using
 - **emotional, non-verbal, indirect, implicit, and sharable** communication tools and elements

Conclusions 2/2

- The cross-cultural conceptual framework and, in particular, the models of Hall and Hofstede, together with related consumer behavior studies, result relevant in identifying, observing, and using Chinese consumers' cultural differences in order to develop effective social media advertising strategies
- However, luxury brands crafting social media advertising strategies in China, together with evidence drawn from cross-cultural and consumer behavior studies, must also take into account the perpetual shifts in both Chinese consumers and the Chinese digital landscape
- We hence suggest to integrate academic conceptual implications with market's data and facts emerging from an evolving environment. As a result, more realistic implications in communication could emerge and more effective strategies could be developed

Limitations and future research inputs

- 1. Generalization:** While the paper provides insights into the Chinese luxury market, it's essential to acknowledge that China is a vast and diverse country with regional variations in culture, consumer behavior, and preferences. Generalizing findings to the entire Chinese market might overlook regional nuances
- 2. Rapid Market Changes:** The luxury market, social media landscape, and consumer behaviors in China are dynamic and subject to rapid changes. The data and observations presented in the paper may become outdated as the market evolves, and new trends emerge
- 3. Cultural Complexity:** China's cultural landscape is intricate and multifaceted. While the paper highlights some major cultural dimensions, it might not capture the full complexity of cultural variations within the country, potentially limiting the generalizability of findings
- 4. Research Depth:** The paper takes a conceptual and qualitative approach. While this is valuable for exploring theoretical frameworks and offering insights, it may not provide a comprehensive understanding of the quantitative aspects or specific case studies that could enhance the robustness of the findings
- 5. Regulatory Changes:** This paper mentions the strict regulatory environment in China, but these regulations may undergo changes. Keeping abreast of evolving regulations is crucial, as alterations could impact the effectiveness and compliance of social media advertising strategies
- 6. Industry-Specific Variations:** Luxury brands span various industries, each with its unique challenges and consumer behaviors. The paper may not delve deeply into industry-specific variations within the luxury market, potentially limiting the depth of insights for certain sectors