

Updates in Luxury Purchase Motivation in East Asia: China, Japan & South Korea

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Abstract

Japan and South Korea have always had an important influence in the East Asian luxury goods market. In recent years, Chinese consumers have also arisen extensive attention from luxury brands and consumer markets in various countries. Although the three countries have the common Confucian and Zen culture which brought a certain degree of commonalities, such as collectivism and aesthetic preferences, at the same time, they have developed their own national characters, such as China's "benevolence", Japan's "loyalty" and South Korea's "righteousness" – accompanying the evolution of aesthetic consciousness in the thousands of years' history, all of these impact profoundly on today's consumer motivation. However, the international and national economy, politics, society and communication gradually evolved different consumption motivations. "Luxury" has undergone tremendous changes among consumers in the three countries.

A total of 405 respondents (of which 325 respondents answered all questions) in the three countries received our questionnaire. The questionnaire contained two parts: basic information and consumption motivation, based on the impression of the word "luxury" and the 36 questions which divided into five levels (Strongly Agree, Agree, Neutral, Disagree, Strongly Disagree). Impression keywords helped us to understand the changes in consumers' attitudes towards "luxury". Besides, we analyzed 36 consumer motivations and behaviour issues through relative importance index (RII) analysis and classified and grouped these factors to determine the importance of motivation ranking. The results show that Chinese consumers are more concerned about the practical value of luxury goods, such as quality and price. Japanese consumers regard craftsmanship and quality as the most important consumption motives, while pleasure and quality are factors that Korean consumers value more.

Through the analysis of the results, combining with the uncertainty caused by the Covid-19 epidemic this year, we could see that luxury brands not only need to strengthen customer relationship management, but also consumer segmentation, behaviour and sentiment analysis, as well as the predictive analysis in order to

provide customers with personalized, high-quality services. At the same time, as ethics and sustainable values become more and more important in consumer awareness, and even affect their purchasing decisions, they hope that the brands they buy can reflect their own value. Therefore, how to use science and technology to enhance transparency and authenticity will also be the new focus of luxury brands.

Keywords: luxury, consumption motivation, China, Japan, South Korea

1. Literature review

In China, "奢"(luxury) originally means "profligate". "奢，张也。" (《说文解字》) It means excessive, extravagant, large, many and it refers to objects; "侈，掩胁也……一曰奢也。" (《说文解字》) It refers to a large number of people and a tendency to domineering others. In Japanese, "贅沢"(luxury) refers to non-essential and expensive items that exceed necessary money, material, etc. In Korean, "사치" (luxury) also means spending unnecessary money or items. Therefore, the traditional concept of the word "luxury" had a negative meaning in these three countries. To explore the cause from the etymology, we start with the "East Asian cultural sphere" where the three countries are located, and explore the cultural roots of the three countries - Confucianism and Buddhism (Zen).

1.1 Confucianism as the core of thought

Confucianism has developed its ethos or value in China, Japan, and Korea, respectively. Generally, Chinese Confucianism emphasizes "benevolence" that contains a principle of harmony, Korean Confucianism emphasizes "righteousness" which highlights the principle of justice, and Japanese Confucianism takes "loyalty" as which embodies the principle of order, the absolute core.

1.2 Aesthetic taste based on Zen

If we conclude that Chinese's aesthetic consciousness focuses on Confucianism's "Permanence" that "everything has a rule", but pursues spiritual transcendence at the same time; what Japanese's emphasizes is "Impermanence", means "nothing is immutable" that based on the traditional "empty, nihilistic" Zen's thoughts. As blending the "clear and cold" tone to Japanese art, Japanese aesthetics presents a "wabi-sabi" (侘び寂び) atmosphere. According to a survey of Korean temples, pagodas and calligraphy by The Ministry of Culture, Sports and Tourism of the Republic of Korea, four aspects of traditional Korean aesthetic characteristics are playful spontaneity, pure formality, naturalistic simplicity and symbolic decoration. "Unplanned" embodies the beauty of naturalistic simplicity. Koreans believe that simplicity is the essence of nature, which conveys warmth, comfort, and natural relaxation. This is quite related to the "playful spontaneous". The unique aesthetics for this "unexpected feeling" stems from Zen's belief that the existence of things is short-lived; thus, it is necessary to be humble to the things themselves and the surrounding environment.

1.3 The previous motivation of luxury consumption in China, Japan and South Korean

1.3.1 Materialism and "Mianzi", Collectivism and hierarchy in China

In China, people's attitudes towards luxury goods gradually changed after the Reform and Opening-up. Before the 1990s, influenced by traditional Confucian collectivist culture, Zen aesthetics and economic conditions, Chinese consumers emphasized modesty and thrift, leading to a resistance of purchasing luxury goods. (Douglas & Isherwood, 1996) However, today, China's post-80s, who grew up as China becoming an economic powerhouse, are now promoting luxury purchases, and they are willing to spend money to show their individualism and success, while the post-90s are also an emerging force for luxury consumption. (McKinsey Fashion and Luxury Group, 2019)

In the traditional Chinese Confucian society, people pursued authority and "scholar-officials", which means that the higher the status, the more representative of authority. In modern society, this concept has formed a social hierarchy. Richins (1994) found in the survey that people with higher social network pay more attention to expensive products or brands that can represent privileged identities, and products that strengthen the personal image ("face", "mianzi") of them. The empirical research of Eastman et al. (1997) also found that Chinese male consumers focus more on materialism and status consumption than female consumers, which also explains why Chinese luxury goods male consumers in the market were the main buyers. Markus & Kitayama's research (1991) found that, in terms of social dominance, Chinese people focused on making themselves belong to a certain class of social groups so that they could have a sense of achievement (Wong & Ahuvia, 1998). Gift-giving was also an important motivation for Chinese consumers to buy luxury goods. Although it related to the nature of high-end gifts that can reflect the status of social hierarchy, it was also a manifestation of the balance of needs of individuals and groups.

1.3.2 Collectivism and the sense of security, influence of spiritual belief in Japan

Different from the Chinese consumers who desire to show their social status by owning luxury goods, Japanese collectivism is more inclined to "take one's proper station", which means the order and hierarchy are basic in their whole notion of interpersonal relationship. Concretely expressed as "a highly unified order" and the pursuit of "a sense of security".

In 2017, according to a survey faced to 317 respondents who with the annual family income exceeded 119,237 US dollars (13.5 million JP Yen), indicated that the top three buying motivations are craftsmanship (56%), design/style (40%) and service (26%). As Ruth Benedict described in *The Chrysanthemum and the Sword*, Japanese people have a dualistic character; they are attracted by new ways yet can be passionately conservative. They highly admire fine craftsmanship. Therefore, the sold traditional Japanese crafts are called "koukyuhin" (高級品, emphasize on "high-quality, handcrafts", etc.) but not "zeitakuhin" (贅沢品, luxury) in Japanese.

The "Void" of Zen also brought a minimalist lifestyle to the Japanese people. Since the 1980s, they have paid more attention to the richness of thought rather than the richness of things, and they believe that "having many things does not mean a rich life." According to McKinsey & Company's 2019 report, luxury consumption in Japan has become more environmentally-friendly, and the pursuit of the consumed value has changed from material to experience.

1.3.3 Class competition and the cult of beauty in South Korea

In 2016, South Korea became the third pillar of the Asian luxury goods market, which alone represents 2.5% of global luxury goods demand. Only 5% of Koreans said they feel guilty about how much they spend on high-end products and that is a waste of money, compared to 10-15% in other developed countries.

Koreans have a strong desire to set ranks with others because of the caste system and traditional Confucianism. Money became a social symbol of the upper class; luxury is undoubtedly an asset for showing the cult of beauty and a tool helping them to improve their appearance and visibility as a means of differentiation and a representative of high social status.

"Appearance is power", modern Koreans attach great importance to their appearance, mainly due to the population growth and intensified social competition since the 1970s - a powerful family and educational background. As well as a good appearance, are indispensable for a person to reach the top of the social pyramid. Maintaining the proper appearance and complying with the "yewi" (예위, etiquette) required by people's social status is a moral obligation. Therefore, in South Korea, the pursuit of beauty is not only a manifestation of the desire to "appear to be", but also a necessity for the normal functioning of society in accordance with one's status and moral values.

1.4 Literature gap

We have analyzed the influence of Confucianism and Zen on the ideological roots and aesthetic consciousness of the three influential East Asian countries from past literature and works. However, when luxury brands "cater to" millennials, what are the motivations of these new generations for buying luxury goods? Which product attributes are more valued? Has the change in the perception of luxury goods become a major challenge for the cultivation of brand loyalty? Among the three largest luxury markets in East Asia, luxury brands are eager to expand their influence by striking a balance between increased profits and minimal risk, what variables will affect the luxury brand marketing strategy to expand to more countries successfully? How should luxury brands do and educate consumers in the post-epidemic era? These will be the subjects of our research.

2. Methodology

2.1 Introduction

This chapter discusses the methodological issues concerned in the current research. This study chose the relative importance index analysis(RII). RII: Relative Importance Index is calculated for each of the indicators and ranked accordingly. The RII derived from summarizing the importance of each indicator: Where, W = weighting as assigned on Likert's scale by each respondent in a range from 1 to 5, where 1 = no

impacts, 2 = negligible impact, 3 = marginal impact, 4 = moderate impact and 5 = significant impact. A = Highest weight (here it is 5), N = Total number in the sample.

The methodology chapter is divided into the following sections: firstly, the research problem will be discussed; secondly, research methods will be addressed, and their rationality. Third, how is the questionnaire design, how to collect data to obtain results and how to analyze data? Then the ethical issues involved in the study will be discussed. At last, at the end of the chapter, a summary will be provided.

2.2 Research questions

In this chapter, we want to discuss mainly the differences and effects of geographical factors on local people's desire to purchase luxury goods. Luxury goods are non-necessities in life. Many studies have shown that people buy luxury goods because of their outstanding design and excellent quality. Veblen first proposed the research direction of luxury purchase motivation-conspicuous consumption. Later, other scholars gave explanations and supplements. However, the research market they face is the Western market. From the perspective of cultural roots, the three countries of East Asia have been deeply influenced by Confucianism and Zen since ancient times. This influence is based on the basic views of traditional values, including economic beliefs, political opinions, religious values, and aesthetics. In a nutshell, it is an inclusive "cultural" sense that permeates every bit of value in life. East Asian consumers buy luxury goods because they can give them a higher social status and are a status symbol. It may also be because of the value recognition of luxury brands. It may also be to express themselves.

After careful inspection, there is a lack of in-depth research on consumers in the three East Asian countries, China, Japan, and South Korea. This research aims to figure out the purchasing motivation of luxury consumer groups in the three East Asian countries. Therefore, the first question of this study is: What are the motivations of consumers in these three countries to purchase luxury goods? According to a literature review, luxury goods have the attribute of symbolizing social status; that is, luxury owners believe that luxury goods can express their social status and prestige. According to previous research, people in Western society are individualists, while Eastern consumers are often collectivists. Therefore, the second question is: how does the consumer motivation of the three countries perform in terms of conformity? Last but not least, in this study, the interviewees came from three East Asian countries. Because of the influence of geographical, cultural, political and other factors, the three countries have their own different luxury consumption cultures. So the third research question is: in terms of the consumption motivation, are there any significant similarities or distinctions in the motivations of the three countries?

2.3 Justification for the methodology

In general, there are two research methods used in research papers, qualitative methods and quantitative methods. The objective of this research is to chase down the purchasing motivation behind consumers in the three East Asian countries based on existing research. As the objective of the current study is to check out the relationships between the variables that "have been previously recited and measured" rather than

to explore "what are the variables involved", the quantitative methodology is more appropriate than qualitative methodology (Perry, 1998, p.78). Therefore, here this research uses quantitative methodology. The most significant advantage of quantitative research is that it provides descriptive data, which is more suitable for collecting extensive sample data. Besides, in a limited time, quantitative questions are easy to be understood and answered by investigators, and data results are easier to analyze and explain. Here in this thesis, the relative important index(RII) is the primary research method we use. RII is a subjective evaluation method. Our targeted questionnaire design allows local people to answer questions subjectively, which can help us solve problems better. At the same time, RII supports weighted judgments that need to be answered by weights, which can help us better locate impact factors.

2.4 Survey Development

This section discusses how to design the questionnaire for the current study. The study applied a structured self-management questionnaire. Three questionnaires were corresponding to the three languages of China, Japan and South Korea. All questions are closed questions.

2.4.1 Self-administered questionnaire

WenJuanXing(www.wjx.cn) is an integrated online questionnaire distribution, collection and analysis system; this questionnaire design and collection will be completed on this platform. Through the network link sent by the researchers, the interviewee answered the self-filled questionnaire of WenJuanXing. The interviewees are all from China, Japan and South Korea, which correspond to the geographical area that this research needs to investigate.

2.4.2 Survey design

After investigating and researching the relevant papers on the motivation of buying luxury goods in China, Japan and South Korea, we have selected some impact factors and subtitles to introduce into this questionnaire and made some adjustments based on the current situation.

2.4.3 Survey structure

This thesis is divided into multiple subheadings and the critical impact factors under the subheadings—perfusion from bottom to top. In the current study, the survey included a total of 44 scoring scale questions. The questionnaire is divided into two parts. The first part explores the basic information of the participants, a total of 8 queries: seven multiple-choice questions and a fill-in-the-blank question to measure participants' attitudes and preferences towards luxury goods, including gender, age, education level, channels of concern for luxury goods, and preferred luxury category etc. The second part aims to study the purchase motivation of participants, and there are 36 questions in total: from the perspective of purchase motivation and consumption behaviour, involves hedonism, materialism, conspicuous consumption, the phenomenon of following trends, consumer decision-making, purchase channels, etc.

2.5 Reliability & Validity

Reliability represents the reliability and consistency of the data, and it can reflect the stability and concentration of the data. Validity refers to the ability of measurement tools to measure the real situation of things accurately, and it can reflect the accuracy of data. Therefore, the design of the questionnaire is directly related to the reliability and validity of the collected data. There are two layers of test and verification analysis in this article. First, we will base the data on it. Software foundation is used to verify the reliability and effectiveness. Secondly, we will conduct regression tests on the final output related results.

The reliability of the questionnaire can be measured by the internal consistency coefficient of the meter. This thesis uses Cronbach's alpha coefficient to calculate. Usually, the value of Cronbach's alpha coefficient is between 0 and 1. If the α coefficient does not exceed 0.6, it is generally considered that the internal consensus reliability is insufficient. This thesis uses factor analysis to test the validity of the questionnaire. Factor analysis is a statistical method to test validity. If the KMO value is more significant than 0.6, and Bartlett's sphericity test significance is less than 0.05, then the original data of the questionnaire is very suitable for factor analysis. It can be further explained that the result of the following factor analysis operation is accurate. Therefore, the validity of the scale can be accurately inferred based on the results of factor analysis.

The original questionnaire was designed in English, but considering the language barrier, the questionnaire was translated into three different versions: Chinese, Japanese and Korean. Before the final questionnaire was officially released, the researchers conducted a distributed test to observe the situation. The overall results show that the questionnaire is easy to understand, easy to fill, and can be completed in a short time (an average of 2-3 minutes).

2.6 Relative Important Index

This thesis uses Relative Important Index(RII) to measuring opinions, beliefs and attitudes. The relative importance index analysis allows the most critical criteria to be determined based on the responses of the participants. Furthermore, it is also a suitable tool for prioritizing the indicators scored on the Likert-type scale. The mathematical model is as follows:

$$\text{Relative importance index} = \frac{\sum w}{AN} = \frac{5n_5 + 4n_4 + 3n_3 + 2n_2 + n_1}{5N}$$

Besides, the data is analyzed by the formula of the relative index analysis method of the previous related research. Therefore, it is suitable as the current method to participate in an estimate by interviewees with their opinion and attitude to luxury goods. In order to improve the validity of the data, the answer to the question adopts a five-point system to generate sufficient variance. In this study, the questionnaire asked respondents to respond to relevant statements from 1 to 5 and give their answers: 1 = strongly agree, 2 = agree, 3 = neutral, 4 = disagree, and 5 = strongly disagree.

2.6.1 Primary Data

The primary data source of this thesis relies on the online questionnaire support with the online platform WenJuanXing. Researchers will send the questionnaire to the respondents through online channels. Distribute the questionnaire by sending a URL link containing the questionnaire through online platforms such as Facebook, WeChat, and Hello Talk.

2.6.2 Snowball Sampling

This data collection will also rely on the snowball effect. We will promote the distribution of the questionnaire through the online community platform, by answering the questionnaire with prize form and copy, and strive to achieve a wide range of self-communication.

2.6.3 Sample selection

This data collection will set a certain screening threshold and will check some unfinished and conflicting questionnaires. Perform effective data cleaning. Complete the preparatory work to ensure that the data analyzed later is valid and effective. The snowball sampling method was used because the researchers were in France and receiving geographical restrictions. Initially, to collect research data, researchers used personal social networks for questionnaire distribution. All interviewees were guaranteed a secure connection before the interview.

2.6.4 Response rate

The calculation method of the response rate of the questionnaire will be redefined, and the effective distribution questionnaire will be defined as the total number of views of the open questionnaire. The molecule will be defined as—the number of people who completed at least one question. Expected response rate will reach more than 80%.

2.6.5 Issues of sample size

The expected risks and problems will mainly focus on whether the magnitude of the questionnaire is representative. Whether the analyzed results can effectively support the output conclusion, the large sample size is more conducive to obtaining significant statistical results. However, due to language barriers, geographic restrictions and other factors, receiving a large number of samples are not feasible. According to the adviser's suggestion, the researchers finally set the questionnaire collection target to at least one hundred copies for each country above.

2.7 Data Analysis

The primary purpose of this study is to determine which purchase motives are the most important for consumers in China, Japan and Korea. This data analysis and collection will mainly rely on professional data analysis software. SPSS and AMOS are crucial tools for data analysis in this research. Besides, Excel will be used as an additional tool.

2.8 Ethical awareness

The author hereby solemnly declares that the data will not be used for any commercial purpose. The data of the nesters involved in this paper will be strictly confidential and

only used for the data analysis stage of this paper, and the data will be cleaned afterwards.

2.9 Chapter Summary

This chapter mainly introduces research methods that will be used as well as the issues that need to be focused. Furthermore, the sources of data, analysis methods – moreover, an overview of the tools used in the process and subsequent processing. The analysis details will be explained in the next chapter.

3. Analysis of data

3.1 Introduction

This chapter discusses the process of data analysis and provides research results. The primary purpose of this research is to find out the motivations that motivate consumers in China, Japan and South Korea to purchase luxury goods. The data analysis in this chapter is divided into four parts. The first part discusses the scope of this topic in the research process; the second part explains the analysis results of the collected data. The method of dimensional analysis chooses exploratory factor analysis combined with confirmatory factor analysis. The RII analysis method mainly distinguishes the differences and similarities in luxury consumption motives in three different countries. Finally, the conclusion of this chapter is provided.

3.2 Subjects

The subjects of this study are men and women living and working in China, Japan, and South Korea. Affected by Eastern culture, consumers represented by China, Japan and South Korea have individual differences in consumption concepts from Western consumers. Meanwhile, it will also be influenced by the deep cultural and social factors of these three countries. Respondents in the three countries have different levels of awareness of luxury goods.

According to the data collected, the youngest respondent was less than 20 years old, and the oldest was over 60 years old. For ethical considerations and the interviewee's comfort, the questionnaire did not record names.

3.3 Basic information of respondents

A total of 325 respondents answered all questions, including necessary information and motivation surveys. Among them, there were 111 Chinese questionnaires, 107 Japanese questionnaires and 107 Korean questionnaires.

Among the Chinese respondents, 16.2% (n=18) were men, and 83.8% (n=93) were women: 56% of the respondents are 20-30 years old, and 18% are 20-40 years old. Among the 111 participants, about 80% had a bachelor's degree or higher. In terms of the frequency of buying luxury goods, 85.6% of respondents said: "Occasionally buy luxury goods when they need or like".

For South Korean, there are 107 respondents, of which 47.7% are males (n=51), and 52.3% are females (n=56); recipients younger than 30 years old. The proportion of

interviewees is 85.9%; more than 85% of the interviewees have a bachelor's degree or above; 50% of the interviewees said they buy luxury goods every year.

Question 4 is a fill-in-the-blank question: write three keywords about the characteristics of true "luxury"? Then, here are the keywords of the three countries:
 China: rare, art, precious and rare, fashion, cultural symbols, well-known brands, a unique niche, style, taste, elegance, long-term value preservation, brand value, quality, design, cultural connotation, collection value, fashion trend, durability, face culture.

Japan: expensive things that are not necessary for life, self-satisfaction, high-quality assurance, excellent craftsmanship, cultural bearing, need time to manufacture, social status, living standard better than average-level, aesthetics, scarcity.

South Korea: satisfy personal value, leather bags, fashion background, expensive, jewellery, watches, money, scarce, famous, real estate, no need for greed and waste, unnecessary, high-quality brand, social status.

Question 5, Question6, and Question7 are multiple choices. Here the tables below present the results:

Table 3.1 Q5: Which of the following luxury products will you pay attention to/purchase (multiple choice)?---China

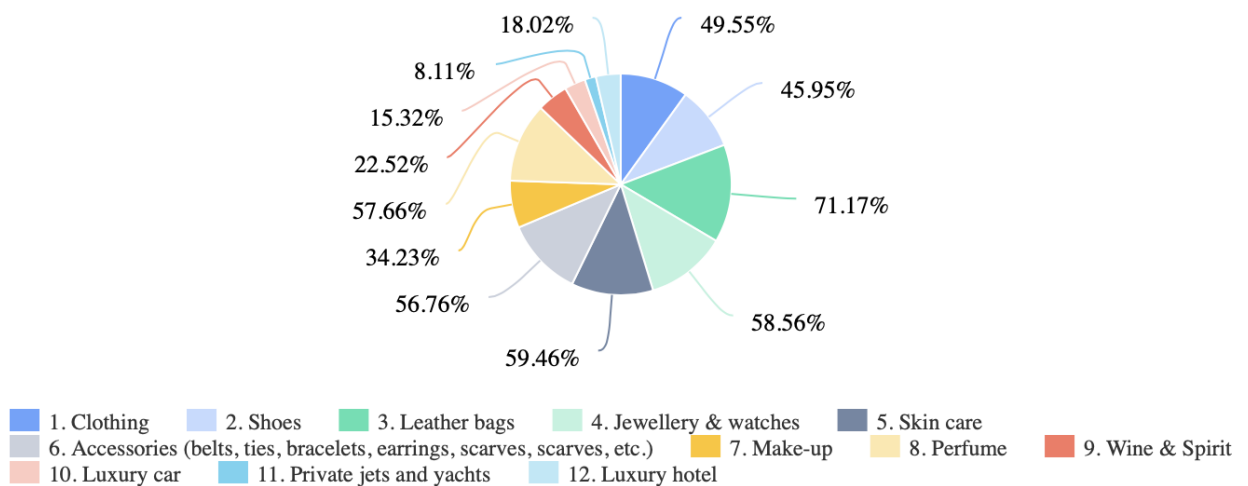


Table 3.2 Q5: Which of the following luxury products will you pay attention to/purchase (multiple choice)?---Japan

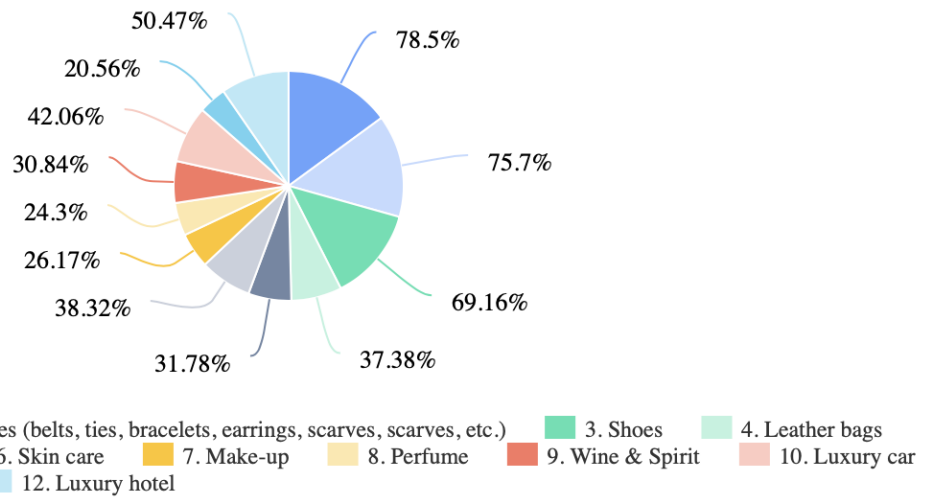
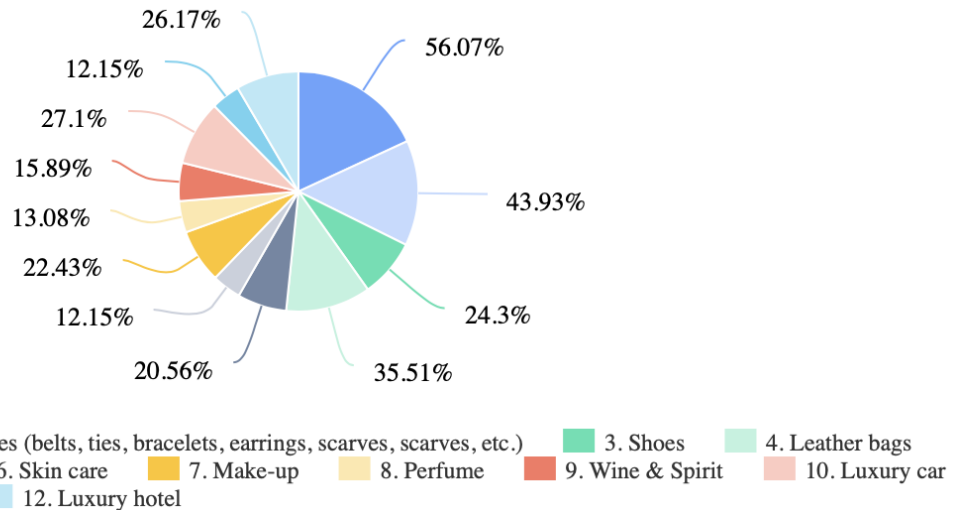


Table 3.3 Q5: Which of the following luxury products will you pay attention to/purchase (multiple choice)?---South Korea



For Question 5, the three tables above show: Chinese participants pay more attention to leather bags, Jewelry and watches, and skincare; for Japan, the respondents tend to clothing, accessories (belts, ties, bracelets, earrings, scarves, scarves, etc.) and shoes; similarly, respondents from South Korea more interests on clothing, accessories (belts, ties, bracelets, earrings, scarves, scarves, etc.) and leather bags. (Table 3.1, Table 3.2, Table 3.3)

Table 3.4 Q6. Which of the following channels do you get information about luxury goods?---China

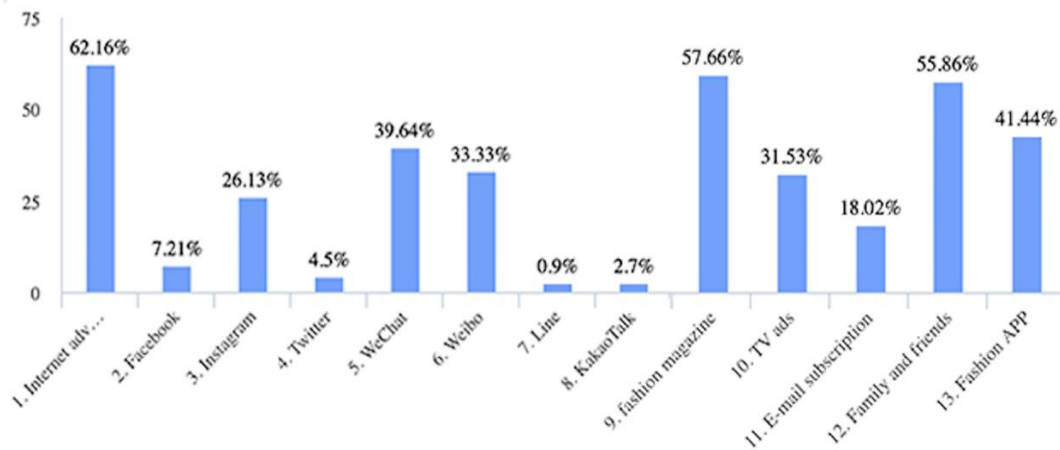


Table 3.5 Q6. Which of the following channels do you get information about luxury goods?---Japan

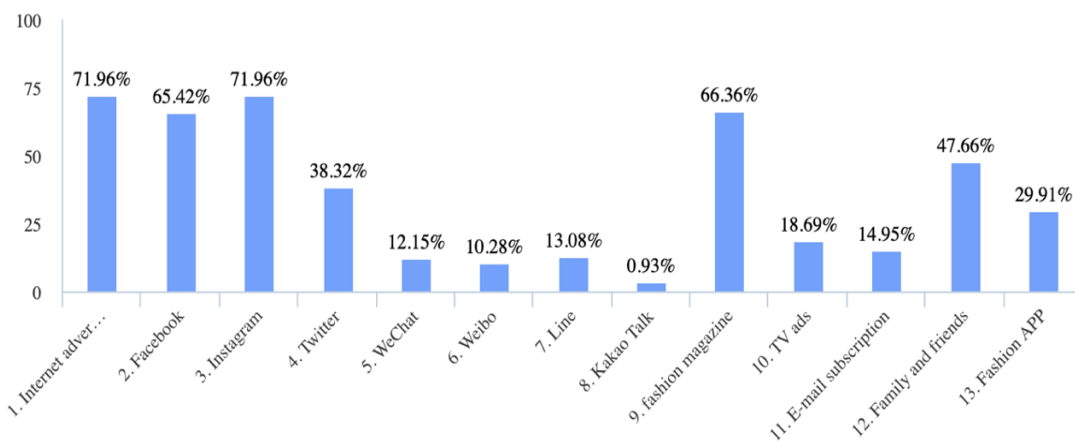
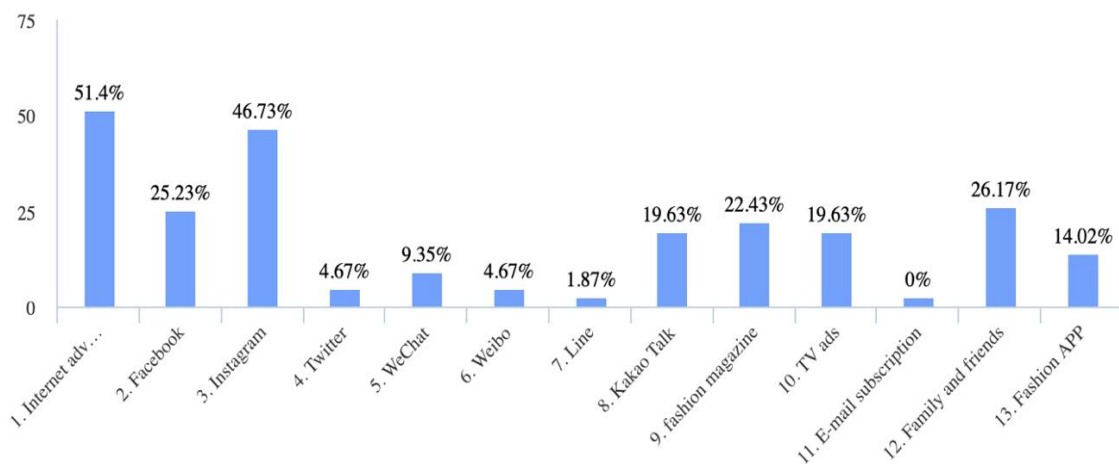


Table 3.6 Q6. Which of the following channels do you get information about luxury goods?---South Korea



From the data of Question 6, it is evident that the three countries know a large amount of information about luxury from the Internet, fashion magazine and family and friends. While because of some limitation on Internet, the channels are distinctive. (Table 3.4, Table 3.5, Table 3.6)

Table 3.7 Q7. Why would you fall in love with a brand? (multiple choice)---China

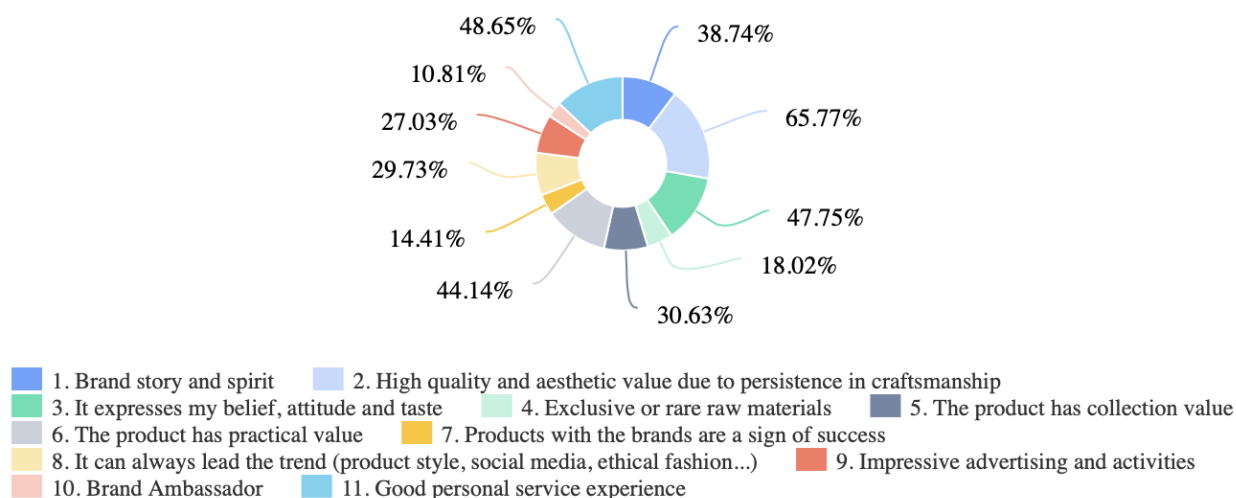


Table 3.8 Q7. Why would you fall in love with a brand? (multiple choice)---Japan

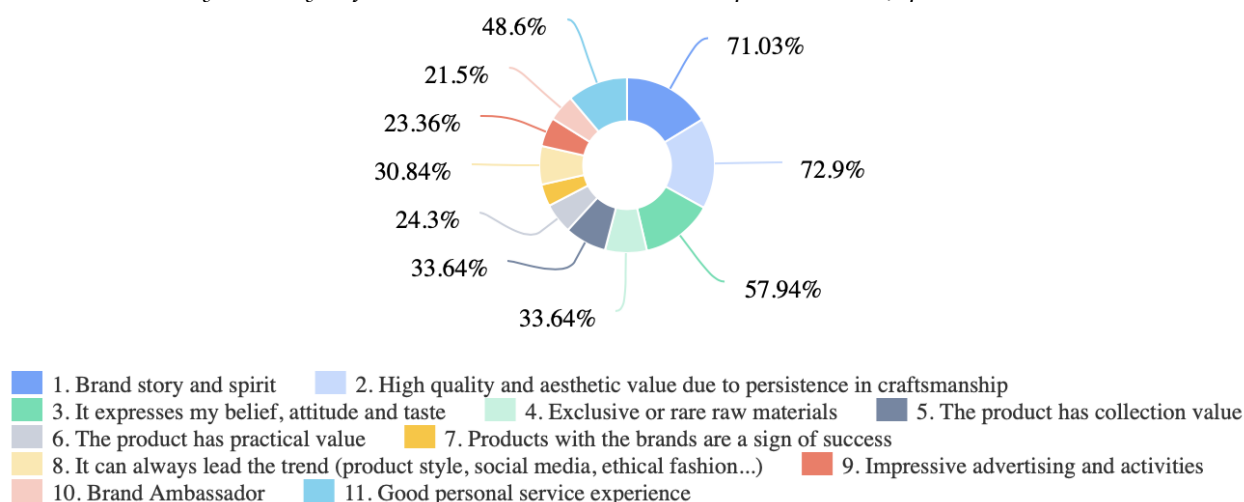
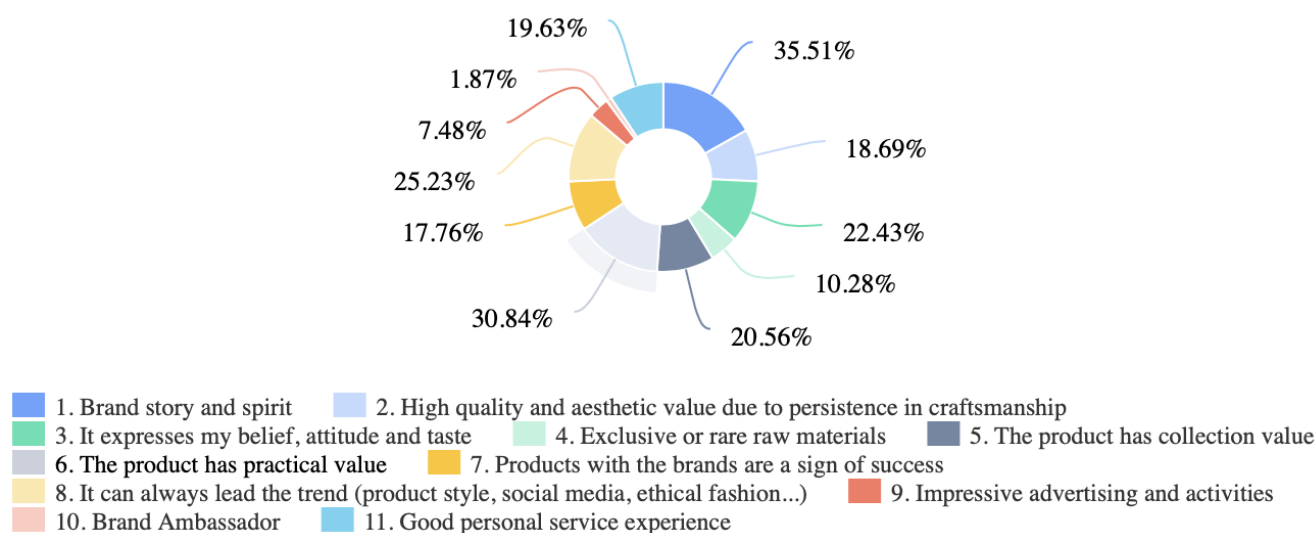


Table 3.9 Q7. Why would you fall in love with a brand? (multiple choice)---South Korea



From the result for Question 7, it is easy to know that about fall in love a luxury brand Chinese and Japanese respondents all need high quality and aesthetic value. Besides, the brand needs to help express their belief, attitude and taste. The difference between the respondents from these two countries is that Chinese respondents more tend to good personal service experience, while Japanese respondents demand brand story and spirit. South Korean respondents also focus on brand story and spirit; they also ask for the practical value of luxury goods. (Table 3.7, Table 3.8, Table 3.9)

3.4 Reliability test

There are 36 items in the second part of the questionnaire, which mainly study the luxury purchase motivation of consumers in three different countries. Before doing the RII analysis, we need to test the reliability and validity of the questionnaire to ensure the feasibility of the data. The questionnaire needs to be tested for validity based on ensuring its reliability. Whether it has reliability depends on the Cronbach Alpha coefficient. Then verify the validity. Firstly, here the exploratory factor analysis is carried out; the purpose is to obtain the dimension division of the questionnaire and delete the items whose factor load does not meet the standard. Finally, after following the new sample, based on the results of the previous exploratory factor analysis, the verification factor analysis was performed again to analyze the structure validity and aggregate validity of the scale. Since the data results come from three different countries, the dimensions need to be re-divided according to their products. Here we first used exploratory factor analysis to find out the dimensionality of each country. According to the load given by exploratory factor analysis, the items that are not valid are deleted. On this basis, use the remaining items and dimensions to do confirmatory factor analysis. After testing the reliability and validity, the results of the RII analysis are given at the end.

Reliability is a necessary criterion for validity, but not a sufficient condition. In other words, all validity must be established based on reliability. Moreover, if the validity is not measured, then the so-called reliability will not have any credibility. Reliability and validity need to meet the following standards:

Reliability: $\text{Alpha} > 0.7$

Validity: $\text{KMO} > 0.6 \ \& \ \text{P} < 0.05$

Therefore, the reliability test must be carried out first. For reliability testing, the key is to look at the Cronbach Alpha coefficient: if the Alpha value is greater than 0.7, the reliability is qualified, that is, the consistency between the questions is okay. Based on reliability, then measure validity. The Cronbach Alpha coefficient of the three questionnaires is 0.936, 0.939, and 0.934, respectively, which are all greater than 0.7. Therefore, all three questionnaires have reliability.

3.5 Validity test

To test the validity, we must first look at the KMO value and the results of the Bartlett sphericity test. Suppose the KMO value of the scale is greater than 0.6, and the significance (P) is less than 0.05. In that case, it means that exploratory factor analysis (EFA) can be performed on the data in the next step, and it also shows that the questionnaire has good validity. Exploratory factor analysis (EFA) is a method of

dimensionality reduction: first dimensionality reduction, and then through factor loading, to find the matching relationship between factors and many topics. If the matching degree is high, the validity of the questionnaire is high. To further confirm whether the initial factor structure is valid, finally, choose to do confirmatory factor analysis (CFA)

3.5.1 KMO & Bartlett's Test

The KMO of the three questionnaires is 0.83, 0.852, and 0.8 respectively, which are all greater than 0.6, and the significance (P) are all 0. Therefore, all three questionnaires have validity.

3.5.2 Exploratory factor analysis

3.5.2.1 Principal component extraction

There are nine factors with initial eigenvalues greater than 1. Therefore, the data results of the Chinese questionnaire have a total of nine principal components. The cumulative explained variance variation is 71.374%, indicating that the nine factors extracted from 36 items have an ideal degree of explanation for the original data. For Japan, there are seven factors with initial eigenvalues greater than 1. Therefore, there are seven principal components in the data results of the Japanese questionnaire. The cumulative explained variance variation is 66.331%, which shows that the seven factors extracted from 36 items have an ideal interpretation of the original data. Furthermore, for South Korea, there are seven factors with initial eigenvalues greater than 1. Therefore, there are seven principal components in the data results of the Korean questionnaire. The cumulative explained variance variation is 68.181%, indicating that the seven factors extracted from 36 items have an ideal interpretation of the original data.

3.5.2.2 Rotation component matrix

The rotated component matrix can be used to observe whether each variable is distributed on different factors. At the same time, whether the measurement items of each variable are well concentrated in the same factor, and the factor load of the measurement items of the same variable must be greater than 0.5. If the loads on more than one component are greater than 0.5, then this question is not valid. Moreover, if one question forms a principal independent element alone, it is also not valid for the scale. Moreover, if questions have loads less than 0.5 on any factor, so they are also invalid. So here is the result below:

According to the rotation component matrix, the attribution of the factors of each topic can be judged. The result of Chinese: six factors in total. For Japanese result: six factors in total. And for Korean: five factors in total.

3.5.3 Data screening

In order to do confirmatory factor analysis next, data should be cleared, including the following questions:

Delete items whose factor loads do not meet the standard, and follow new samples. Perform confirmatory factor analysis based on the results of previous exploratory factor analysis. Therefore, it is necessary to delete items that are not valid in the rotation component matrix.

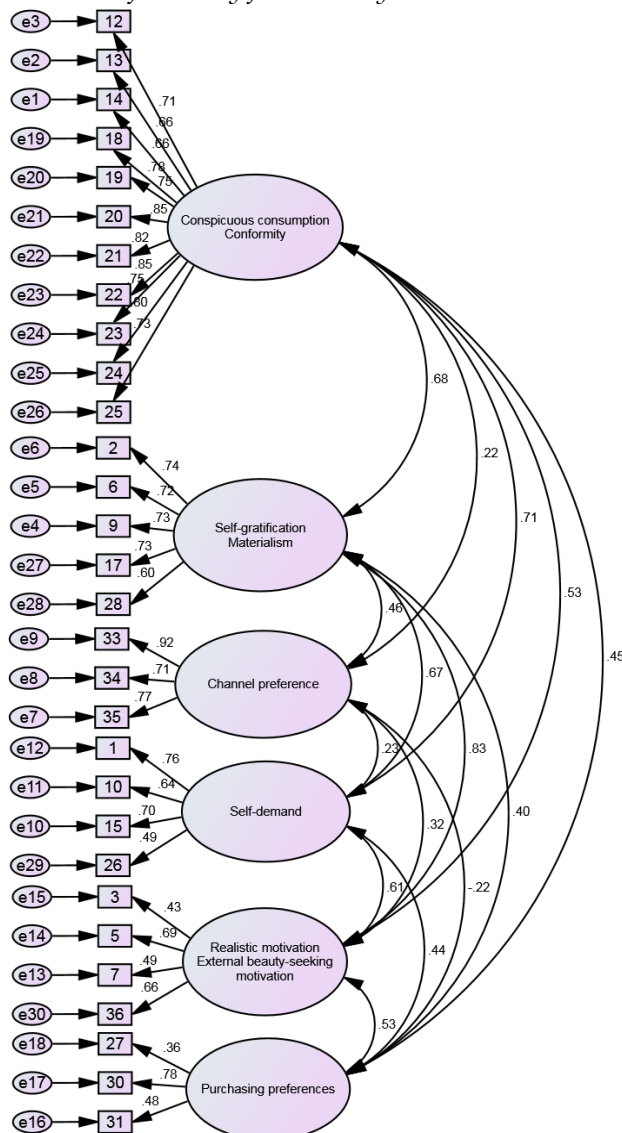
3.5.4 Confirmatory factor analysis

Confirmatory factor analysis is generally used as an exploratory factor analysis to do a further test for the validity of the questionnaire data. It mainly includes three aspects: construct validity, combination reliability and convergent validity, and discriminative validity. Since luxury goods have different social functions in each country, there are differences between the cultures related to consumer self-concepts in each state. There are differences in the principal components of the three different countries on the items. Therefore, the various data results of the questionnaire in the three countries focus on the analysis of factor loads, and no discrimination validity analysis.

3.5.4.1 Common method deviation

The structural validity shows the quality of the structural model. The X^2/df ratio is generally required to be less than 3, which represents an ideal adaptation. The value of the factor load should make the model reasonable and interpretable. The factor load is generally required to be greater than 0.5, the average variance extraction AVE is greater than 0.5, and the combined reliability CR is greater than 0.7.

Table 3.10 Confirmatory factor analysis model---China

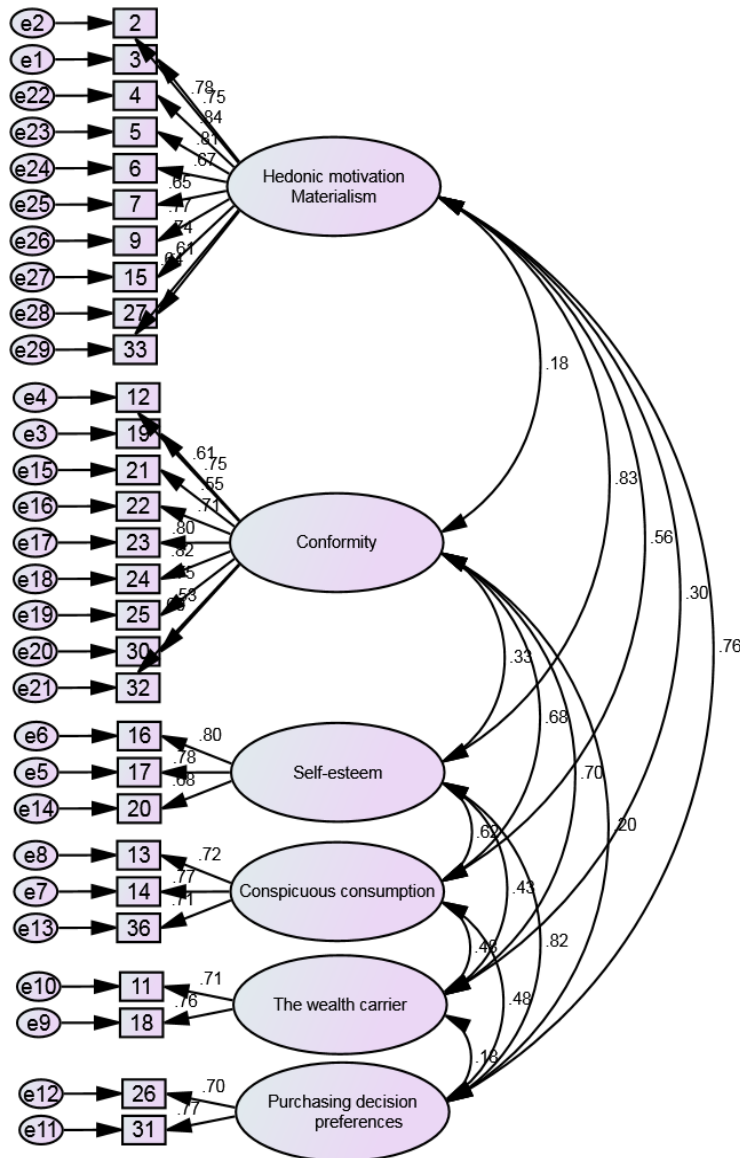


The above verification factor analysis model matches well with the scale data (Table 3.10, Table 3.11), and the matching index values are as follows:

Table 3.11 Overall fitting coefficient table---China

X2/df	RMSEA	GFI	AGFI	CFI	IFI	TLI
1.794	0.085	0.719	0.665	0.824	0.829	0.804

Table 3.12 Confirmatory factor analysis model---Japan

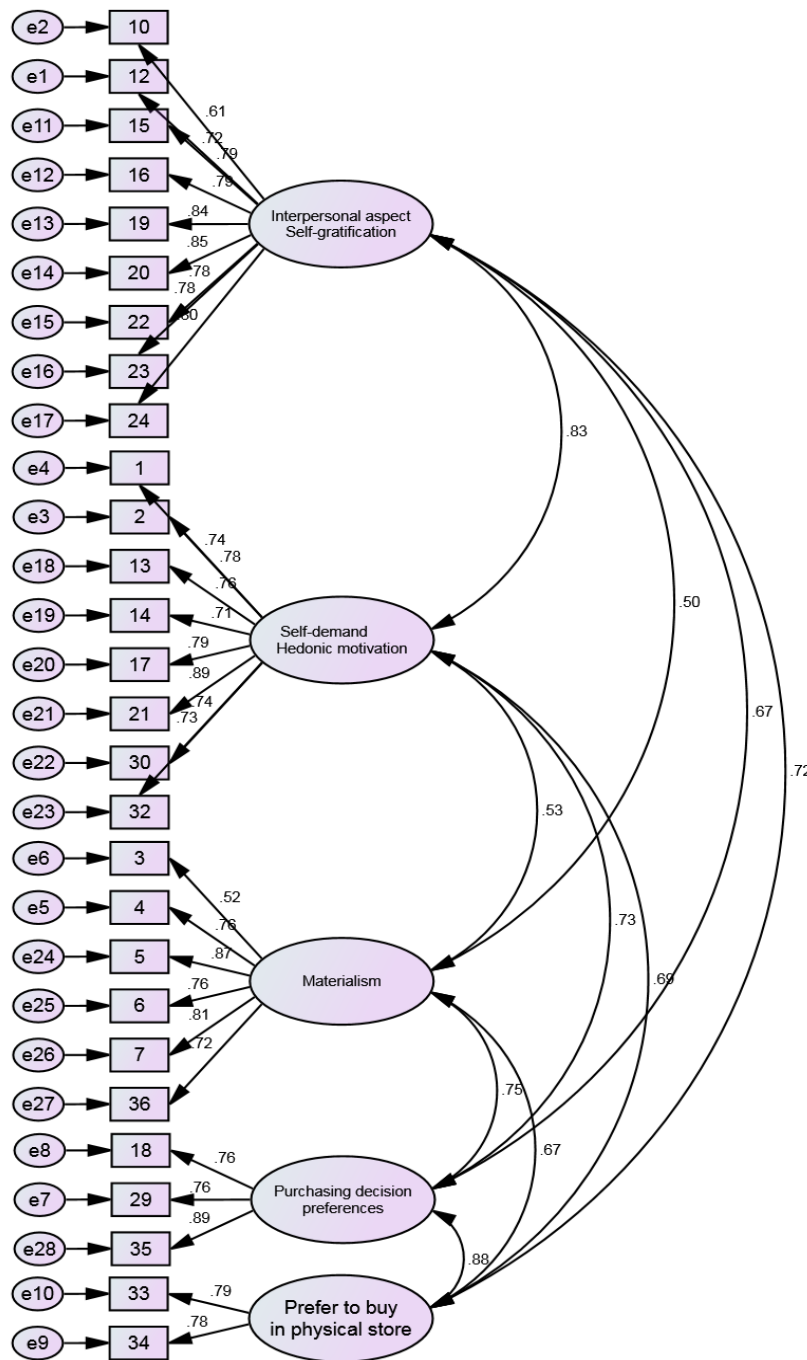


The above verification factor analysis model matches well with the scale data (Table 3.12, Table 3.13), and the matching index values are as follows:

Table 3.13 Overall fitting coefficient table---Japan

X2/df	RMSEA	GFI	AGFI	CFI	IFI	TLI
1.719	0.082	0.745	0.699	0.845	0.848	0.829

Table 3.14 Confirmatory factor analysis model---South Korea



The above verification factor analysis model matches well with the scale data (Table 3.14, Table 3.15), and the matching index values are as follows:

Table 3.15 Overall fitting coefficient table---South Korea

X2/df	RMSEA	GFI	AGFI	CFI	IFI	TLI
2.217	0.127	0.627	0.561	0.658	0.665	0.626

The results of data from three different countries in China, Japan and South Korea show that the structural validity of this questionnaire is relatively good, with primary and secondary distinctions. The three countries have a different emphasis on principal components.

3.5.4.2 Convergent validity

The factor load of each topic corresponding to the most latent variable in each principal component is greater than 0.7, indicating that each latent variable corresponding to the subject has high representativeness. Besides, the average variance extracted (AVE) of the most latent variable is greater than 0.5, and the combined reliability (CR) is greater than 0.8, indicating that the convergence validity is acceptable.

3.6 Relative importance index

Table 3.16 RII analysis results in TOP 3 questions---China

QUESTION	OPTION*					Total	Total Number (N)	A*N	RII	Ranks
	5	4	3	2	1					
3. I place emphasis on quality assurance over prestige when considering the purchase of a luxury brand	39	54	16	1	1	462	111	555	0.8324	1
7. When buying luxury goods, I will pay attention to their style and price, and also consider health and environmental effects.	40	50	18	1	2	458	111	555	0.8252	2
8. I will buy luxury goods due to discounts or promotions.	27	53	25	5	1	433	111	555	0.7802	3

The above table shows the top 3 questions are Question 3, Question 7, Question 8. (Table 3.34) Therefore, based on these three items, it can be seen that for Chinese respondents, they value the quality assurance, design style, and environmental friendliness of luxury products more than the prestige brought by them. Besides, they will pay more attention to products with discounts or promotions.

Table 3.17 RII analysis results in TOP 3 questions---Japan.

QUESTION	OPTION*					Total	Total Number (N)	A*N	RII	Ranks
	5	4	3	2	1					
3. I place emphasis on quality over prestige when considering the purchase of a luxury brand.	75	17	6	6	2	475	107	535	0.88785	1
4. Luxuries I bought are practical/useful.	62	32	6	6	1	469	107	535	0.87664	2
2. Owning luxury products can give me a feeling of happiness.	66	23	8	9	1	465	107	535	0.86916	3

The above table 3.35 shows the top 3 questions are Question 3, Question 4, Question 2. (Table 3.35) Therefore, for Japanese respondents, they value quality assurance and practicality more than the prestige brought by luxury goods. Besides, they enjoy the happiness brought to them by luxury goods.

Table 3.18 RII analysis results in TOP 3 questions---South Korea.

QUESTION	OPTION*					Total	Total Number (N)	A*N	RII	Ranks
	5	4	3	2	1					
2. Owning luxury products can give me a feeling of happiness.	23	44	26	9	5	392	107	535	0.7327	1
31. It is easy to choose and make a comparison with other products while shopping for luxury products online.	22	41	32	4	8	386	107	535	0.7215	2
3. I place emphasis on quality assurance over prestige when considering the purchase of a luxury brand	22	38	29	12	6	379	107	535	0.7084	3

The above table shows top 3 questions are Question 2, Question 31, Question 3. (Table 3.36) Therefore, according to their corresponding question items, it can be seen that for Korean respondents, what they put first is what luxury goods bring them happiness. They enjoy the convenience of e-commerce. Also, they fancy the quality assurance of luxury goods.

Interestingly, in the results of the RII analysis, question 3 appeared in the top 3 options of the respondents in the three countries, indicating that the respondents in these three countries consistently value the quality of luxury goods. (Table 3.34, Table 3.35, Table 3.36) Besides, respondents from Japan and South Korea have Question 2 in the top 3 items, indicating that respondents from Japan and South Korea are more inclined to enjoy the hedonism brought to them by buying luxury goods. (Table 3.35, Table 3.36)

3.7 Chapter summary

As mentioned before, in this study, the data is divided into two parts. The first part is used to survey respondents' necessary information about luxury goods consumption. The second part uses factor analysis to compare the principal components of the 36-items of respondents in the three countries. Although the result of the data is not ideal, it is acceptable. Finally, the results of the RII analysis help to figure out the connections and differences between the respondents in the three countries. There is still space for amelioration in the design of the questionnaire. However, the results of this study are more significant, and the results of the data analysis have reached the expected value.

4. Conclusion

From our survey, it is clear that Chinese consumers now pay more attention to the material use-value of luxury goods, that is, quality and price, and word-of-mouth in China is still an important reference factor for consumers to make luxury purchase decisions. It is worth noting that young Chinese luxury consumers do not much care about showing off their wealth with luxury goods but focus on self-gratification and aesthetics. At the same time, whether the products are friendly to the health and the environment has also become one of the important motivations for luxury consumption.

In Japan, craftsmanship and artistic value are still the primary factors determining Japanese consumers' brand preferences. Japanese consumers prefer to express their personal taste and receive professional and friendly service when purchasing luxury goods. It can be seen that craftsmanship, design/style, and service are still the three major consumption motivations of Japanese luxury consumers, and the proportion is showing an upward trend; in addition, young Japanese consumers are more inclined to snob motivation, represented by expressing individuality, rather than obey the "sense of security", which brought by the collectivism.

Compared with the pragmatism of Chinese consumers and the obsession with the craftsmanship of Japanese consumers, Korean luxury consumers regard hedonism as the most important motivation, which also reveals the influence of traditional "elite culture" on current Korean society. At the same time, they are also keen to enjoy high-end personal experience consumption. Similar to China, Korean consumers tend to obtain a large amount of information and word-of-mouth from the Internet before making a purchase decision, to compare the quality and product details that they are more concerned about.

5. Contributions

5.1 Digitization: build relationships based on data + privacy protection

To focus on specific audience segments, luxury brands are redesigning customer engagement technology through data analysis tools. The wider usage of artificial intelligence technology (such as AI chat robots) will help to achieve instant customer service and automated sales, as well as store the data of customers or potential customers, to analyze the consumer segmentation, behaviour and sentiment. On the other hand, luxury brands also need to know more about their data and how to store them securely.

5.2 Marketing strategy: local awareness + brand recognition

Each ethnic group has its own unique culture and behaviour; marketing practitioners need to consider different geographical factors when carrying out marketing activities for their brands. At the same time, luxury brands are more important than the tangible assets of simple products in the intangible assets of brand stories, images and styles. When formulating marketing plans, it is necessary to combine the brand's DNA and reflect these characteristics and transmit the value through marketing strategies.

In addition to catering to regional culture and sharing brand narratives, it is also important to create ambitious and attractive contents that can adapt to customers' needs for showing their lifestyle, bringing them psychological satisfaction and satisfying their desire for freshness. After all, in today's digital era in pursuit of personalization, brands should become a "person" and a "friend" of the customers with the help of contents, so that the communication can be more effective, and create new value for the consumers.

5.3 Service and experience: improve the touchpoints + redesign stores' role

Most organizations need to invest more in customer experience (CX) and measure the "return on experience" (ROX). In addition to providing guidelines for safe use, ensuring product quality, and maintaining the offline store environment and professional training for employees, when e-commerce is prevalent, other services should not be lost. These services include every touchpoint in terms of online customer service, purchase process (whether the product classification page is clear enough, the readability of the product page, the virtual try-on, the convenience of payment, etc.), packaging, logistics, after-sales service and timely response to the evaluations.

Luxury brands should also assume that different stores have different roles, and flagship stores that shape the brand image are stores that focus on generating sales profits, or stores that mainly act as contact points for consumer relationships or even immersive digital experiences. Storefronts with new features, The revised branch may need to review and redefine the current store format.

5.4 The luxury market in the post-Covid-19 era

The "loyalty" located at the back end of the AIPL model will become an important performance growth point for the brand in the post-epidemic era. Not only do the brands need to strengthen marketing at the cognitive stage, but it should also gradually follow up the digitalization of customer retention.

As consumer awareness matures, ethics and moral values are becoming more and more important, and will even affect their purchasing decisions, because they hope that the brands they purchase can reflect their value as the members of society. That means brands should consider how digitalization plays its role at every stage of the value chain, with transparency and authenticity to prove that they use actual actions to act and communicate not only as a brand but also as a social and committed actor to gain social acceptance of fashion players.

In the foreword to the Japanese version of "Fourth Consumption", the author wrote "物ではない何によって人は幸せになれるのか?" (What can make people happy besides commodity?) Although it is still impossible to predict how long the epidemic will last and how much impact it will have on the luxury purchase market, it is inevitable that rethink the desirability and relevance of luxury in pandemic times is a high priority for the luxury brands and each practitioner of this industry.

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