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Factors influencing luxury-product purchase behavior of young Indian and Chinese consumers

Abstract

Luxury products have enjoyed huge sales growth in Asia in recent decades, particularly due to economic growth in India and China. Although luxury product sales represent a strong indicator of economic confidence among consumers, few studies have focused on this topic in an Asian context. In other words, most studies of luxury-brand purchase behavior have focused on Western cultural contexts, and therefore the applicability of their findings to Asian contexts may be limited. To close this important research gap, this study focuses on cultural differences between young Chinese and Indian consumers in terms of their purchase behaviors toward luxury products because India and China continue to be two major markets for luxury products in Asia. Previous findings show that Chinese consumers' perceptions are increasingly reflecting those of Western consumers. That is, studies have found Chinese consumers to be more individualistic and hedonistic than Indian consumers. Based on these insights, this study assesses whether these findings can be extended to young consumers' purchase of luxury products in India and China. According to the results, young Indian and Chinese consumers favorably view luxury products, and there was no significant difference. Both young Indian and Chinese consumers highlighted their self-satisfaction as the most important factor influencing their decision to purchase luxury products, and there was no significant difference between these two groups.