

Joint Master Programme of China and International Relations

UNDERSTANDING CHINESE LUXURY CONSUMPTION BEHAVIOUR WITHIN THE FIELD OF WINE

Company case study of Rare Wine

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SUMMARY

The academic paper consists of a comprehensive analysis of the Chinese wine market, the Chinese luxury wine consumer and the consumption behaviour and motivational factors related to the individualistic purchase of wine as a commodity. Within the programme of China and International Relations, the international aspect of the research is located in a chosen Danish case study and its desired expansion on the Chinese market. Through the research, an international perception of Chinese luxury wine consumer behaviour will be outlined.

In 2005, the Chinese wine market was stamped with the mark as an emerging market and the most important market in the near future (Capitello, et al. 2017, 3). As the country increased its economic capital and experienced a comprehensive growth in GDP (Gross Domestic Product) with a progressing purchase power, the country has rapidly developed a taste for refined and luxurious Western commodities such as wine and the market is generally perceived as an inevitable market for wine distributors. However, nearly 20 years has passed and despite the country's increasing import of foreign wines and its domestic production of wine, China is still considered an emerging market rather than a developed wine market. The wine market is increasing steadily but it has not undergone the same development as the general luxury market, e.g. fashion. For this paper, a comprehensive research will be conducted to gain further knowledge in understanding the Chinese luxury consumption behaviour in the field of wine. To do so, the research will concentrate on understanding the motivational factors for current and new Chinese wine consumers, the Chinese perception of the variables of preferences related to wine as a commodity and the individualistic self-conception of the consumer. As a method to obtain an international perspective for the research, a case study has been chosen. The Danish company, Rare Wine, who specialises in wine distribution and is a major wine merchant in Scandinavia, desires to strategically develop its company's position on the Chinese market by reaching the Chinese end-consumer. Thus far, the company has had limited success whilst achieving impressive success on the Western market. As a method to obtain comprehensive primary data in the field, the technique of conducting interviews has been completed to expand the primary empirical data of the research. The two chosen participants for the interviewees have been chosen based on their respective knowledge within the chosen field of study. The research method of questionnaires has also been conducted in order to obtain knowledge from Chinese wine consumers. In this case, each individual was handed in a questionnaire and provided important non-academic based knowledge as a tool to understand the Chinese luxury wine consumers' consumption behaviour. In total, ten respondents participated in the questionnaire. For the secondary data, a number of

journals, books, papers and articles have been used to justify the conducted primary data of the research. To obtain more comprehensive knowledge of the empirical data, the theoretical framework of Thorstein Veblen and Pierre Bourdieu have been applied to the research.

For this qualitative research, the applied theories collaborated with the empirical data have provided similarities and dissimilarities for understanding the Chinese luxury wine consumers behaviour and the motivational factors behind the consumption. A theoretical analysis backed with the conducted interviews and questionnaires and the secondary data indicates that individualistic self-concept, social status in fields and display of economic capital with a disregard to cultural capital all consists motivational reasons in the consumption behaviour of the Chinese luxury consumer in the field of wine.

Contents

Introduction.....	1
Problem formulation.....	3
1. Literature review.....	4
2. Methodology.....	7
2.1. Research design and strategy.....	8
2.2. Choice of theory.....	9
2.2.2. Choice of Thorstein Veblen’s theoretical framework.....	10
2.3. Choice of method.....	11
2.3.1. The qualitative interview.....	12
2.3.2. Selection of the interviewees.....	13
2.3.3. Interview guide.....	13
2.3.4. Questionnaires.....	14
2.3.5. Selection of respondents for the questionnaire.....	15
2.4. Choice of case study.....	17
2.5. Data collection.....	18
2.6. Limitations of the research.....	18
3. Theoretical framework.....	20
3.1. Bourdieu’s theory on status consumption.....	20
3.2. The Theory of the Leisure Class.....	22
3.2.1. Conspicuous consumption.....	23
3.2.2. Pecuniary emulation.....	24
4. Background information.....	25
4.1. Chinese luxury consumer market overview.....	25
4.1.1. China’s e-commerce market.....	26
4.2. Chinese wine consumer market overview.....	27
4.2.1. China’s wine import market.....	29
5. Analysis.....	30
5.1. The Chinese wine consumer.....	30
5.1.1. Interviews for understanding the Chinese wine consumption behaviour.....	30
5.1.2. Veblen and the conducted interviews.....	31
5.1.3. Bourdieu and the interview.....	33
5.2.1. Questionnaire for understanding Chinese wine consumer behaviour.....	34
5.2.2. Veblen and wine consumer behaviour.....	35

5.2.3.	Bourdieu and wine consumer behaviour	37
5.2.4.	The hedonic, symbolic and instrumental value of the wine consumer behaviour	39
5.3.	Characteristics of the Chinese luxury consumer	42
5.3.1.	Motivations for characteristically luxury consumption	44
5.3.2.	Luxury consumption and Chinese culture	47
5.3.3.	Understanding the Chinese luxury consumer.....	48
6.	Reflection and discussion.....	50
7.	Conclusion.....	51
	Bibliography.....	54
	Appendix 1.....	57
	Appendix 2.....	59

Introduction

Since the former General Secretary, Deng Xiaoping, in 1978 structured his socialist ideology whose slogan was “socialism with Chinese characteristics”, Deng reformed China by opening it to foreign investment and becoming a part of the global market through the country’s shift from a centrally planned to a market-based economy. Since his “reform and opening” policy, China has grown at an average annual rate of approximately 10 percent for more than three decades which has been declared as “The Chinese Miracle” among scholars. The economic miracle resulted in China’s world economic share rose from 1.5 percent in 1978 to 15 percent today, and per capita income increased 25-fold from 300 dollars in 1978 to 7,300 dollars in 2017 (Kim 2018). Furthermore, between 2007 and 2017 the aggregate size of Chinese household consumption increased from 13 per cent of US levels to 34 per cent. The International Monetary Fund (IMF) forecasts that China’s consumption share will reach 74 per cent of US levels by 2027, and thus be further to closing the gap in consumption between China and the United States as China’s economy reaches the levels of the US’ counterpart. The development of China’s consumption market is astonishing. In 2000, the United States’ consumption level were 13 times larger than China’s, however, the gap was merely three times larger in 2018 and, according to IMF, the gap will close even further (Wolf 2018).

For decades, China’s image as “workshop of the world” in regard to the country’s advantage in manufacturing was its main factor for its economic prosperity. However, due to an increase in wages for the average Chinese of roughly 80 percent since 2010 and increased competition from other industrial-based economies, the country started to reform its economic model into a consumer- and service-based model. With the transformation, Beijing is strategizing a plan to stabilise its GDP and maintain a healthy and stable yearly 6.0 to 6.5 percent increase after witnessing a consistent yearly deceleration since 2010 to 2017. (Trading Economics 2018)

A key demographic segment in China’s consumption is the wave of millennials. The demographic group refers to those born between 1981 to the late 1990s. Generally speaking, the generation consists of the modern Chinese, which is educated, employed in the private sector and financially strong. They grew up as China’s economy grew and were in the lap of increasing opportunities as they benefitted from being part of the one-child policy and, thus, the family resources going toward their only child’s education. As a result, a large proportion of millennials are university graduates and populate the

white-collar jobs in urban China. Alongside Generation Z, born in mid-1990's to mid-2000's, the millennials consists of an economic strong segment influencing and changing the consumption climate as companies attempts to strategically reach the consumers. (Sethi, Chinese Consumers 2019, 78-80)

For nearly 20 years, China has been touted as 'the next big thing' in wine. Mainly in consumption but also in production of wine. Primarily, this is proclaimed due to the size of the nation, its number of inhabitants and that China has been perceived as an emerging nation for 30 years mainly due to its economic development. In 2005, the emergence of the Chinese wine market intensified as the country became the world's fastest-growing wine market. Due to a change of lifestyle by the middle class and ever-increasing household incomes, the Chinese wine market experienced the anticipated presumption as the country increased its import of wines with a remarkable 26,000% from 2000 to 2011. Moreover, Chinese consumers consistently increased its demand for exclusive imported wines with a high regard for French wine. The Chinese wine market continuous to develop and the potential of the market is enormous (Capitello, et al. 2017, 3-10).

For the research, a problem formulation has been outlined which the research will attempt to answer throughout the analysis and in the conclusion. Four research questions have been created as well in order to contribute in answering the problem formulation. The methodological point of departure in the research is specified in the outlined research questions and address the research problem.

In order to generate in-depth and multi-faceted understanding of a complex issue in real-life context, a case study has been chosen as research approach. Through the case study, the research can go beyond the statistical results and understand the behavioural conditions through the actor's perspective through interviews and data collection. For the thesis, the Danish company Rare Wine has been selected as the case study. The company offers the most comprehensive selection of fine wines in Scandinavia and has established itself into one of Scandinavia's major fine wine merchant. In search for prosperity in China, the company has unsuccessfully attempted to establish itself on the Chinese wine market as it desire to increase its presence and sales. Therefore, Rare Wine has been chosen as the case study in order to provide guidelines on how to reach the important market (Rare Wine 2019). Moreover, the appliance of Rare Wine as the case company provides an international aspect to the research as the Danish company desires further expansion on the Chinese market.

In terms of primary data, the method of in-depth semi-structured interviews has been conducted with two participants, namely Mads Jensen and Justin Cohen. Each participants function will be elaborated

later on. Beside the conducted interviews, questionnaires have been completed with ten wine enthusiastic participants in order to gain comprehensive first-hand knowledge in understanding Chinese behavioural wine consumption. Whilst the conducted primary data provides important knowledge to the research, comprehensive secondary data has been chosen to justify the findings in the research for concluding an answer to the asked problem formulation and research questions.

Problem formulation

In light of the information presented above, the following problem formulation and research questions wished to be answered in the thesis:

Which underlying motivational factors influence the purchase of exclusive wine for the Chinese luxury wine consumer? How can individualistic perception and societal perceptions integrate and influence the viewpoint on luxury wine as a commodity for Chinese luxury wine consumption?

In order to answer and support the problem formulation, the following research questions have been defined:

1. Does the Chinese luxury wine consumption behaviour consist of a development of individualistic self-concept? If so, which social and institutional arenas does the Chinese consumer favour to reproduce individual disposition?
2. Which demographic group has the largest potential in regard to consumer buying behaviour within the field of wine in China? What influence their perception of wine as a luxury good?
3. How is wine as a commodity perceived by the Chinese wine consumer and which key variables influences their perception of the commodity?
4. How can a comprehensive understanding of the Chinese luxury wine consumer behaviour benefit the Danish wine distributor, Rare Wine, in the company's pursue for reaching the Chinese end-consumer and expand its market share on the Chinese wine market?

1. Literature review

The Chinese luxury consumer has been vastly investigated since China obtained its economic prosperity and, thus, developed into a consumer market for the world. In general, the Chinese consumer has acquired certain tastes of different Western products. Generally regarded as a country devoted to rice wine or Baijiu (白酒), the country's inhabitants have gradually acquired further taste in Western products such as red wine (Sethi 2019, 2). The literature concerning the Chinese luxury consumer and China's developing taste in red wine ranges from academically scientific and technical research to consultant companies' understanding the Chinese consumers' development.

As a case study, the perspective of the chosen company can be displayed through the appliance of interview to obtain a more comprehensive understanding of the case study and the argumentation behind choosing it. Thus, besides providing an overview of the chosen case's history, product portfolio and strategy, other personal and important aspects such as strengths, weakness, dilemmas linked to the topic and challenges to it can be included and evaluated in form of an interview. Therefore, the method of interview validate the heart of the qualitative research and remains the dominant data collection tool for the study in collaboration with the conducted questionnaires. Each of the chosen interviewees provides necessary empirical data for the research. The conducted interviews provide inevitable knowledge within the chosen case study, winery consumerism in China and its development, first-hand Chinese luxury wine consumption and motivational behaviour and preferences in luxury wine. Moreover, questionnaires have been completed with Chinese ten wine enthusiastic participants. The choice for this method is to acquire comprehensive first-hand knowledge within the field from the Chinese wine consumer. As primary data, the chosen interviewees and the questionnaires provide important knowledge within the chosen field which is critical to the research in order to create a comprehensive analysis and providing a sufficient conclusion to the research questions. In order to obtain usable knowledge before conducted the primary data, Alan Bryman's published book *Social Research Methods 4th Edition* and Robert A. Peterson's *Questions and Answers In: Constructing Effective Questionnaires* were applied to construct effective interviews and questionnaires before conducted the research methods. (Bryman 2012) (Peterson 2013)

In regard to the secondary data of the qualitative research, the data collection consists of the appliance of books, reports, academic research and articles. Within the field of Chinese wine consumption and

luxury consumption, numerous past academic research has been published. As the Chinese luxury market continues to grow, a luxury product such as red wine has continually been researched by scholars to understand further knowledge on Chinese wine consumerism and consumer behaviour within the field of red wine. In various journals related to wine, food, consumption and marketing, several academics have attempted to provide further knowledge within the field of Chinese wine consumption, luxury consumption, consumer behaviour and motivational reasons for luxury wine purchases in China. As a contributor to research within these fields, one of the chosen interviewees, Justin Cohen, has published numerous articles in journals related to Chinese wine consumption and consumer behaviour and wine preferences with his colleagues at Ehrenberg-Bass institute. In particular, *West versus East: Measuring the development of Chinese wine preferences* which provides important information for the research as Cohen et al. attempt to the Chinese market's developing preferences for the consumer product of grape wine in which the authors focus on the intrinsic and extrinsic characteristics of individualistic wine to understand a further knowledge on Chinese wine consumption behaviour. In order to obtain comprehensive knowledge within the chosen field, various academic articles from journals have been applied to the research. (Ehrenberg-Bass 2019)

In regard to the chosen theoretical framework, Bourdieu's and Veblen's theories are frequently adapted as theories in order to understand further understanding on Chinese luxury consumption and consumer behaviour as primarily Veblen's status-seeking concept and Bourdieu's cultural capital and habitus are adaptable within the field. E.g. Weiwei Zhang's article in *Consumption Markets & Culture: Consumption, taste, and the economic transition in modern China*. In regard to Chinese wine consumption and the wine culture of China, Veblen and Bourdieu have been applied as theoretical framework for multiple articles by scholars such as *Lafite in China: Media Representations of 'Wine Culture' in New Markets* by Maguire et al. which draws on Bourdieu's concepts of capital and habitus to examine the Chinese fine wine consumption. Indeed, the two chosen theories are represented in numerous articles by academics and, therefore, the research will adapt the theoretical frameworks in order to understand Chinese luxury wine consumption and the related consumer behaviour.

In *Consumer Segments Based on Attitudes Toward Luxury: Empirical Evidence from Twenty Countries* by Bernard Dubois, Sandor Czellar and Gilles Laurent, *Consumer Choice Between Hedonic and Utilitarian Goods* by Ravi Dhar and Klaus Wertenbroch and *Hedonic Consumption: Emerging Concepts, Methods and Propositions* by Elizabeth C. Hirschman and Morris B. Holbrook, the hedonic, symbolic and utilitarian motivations for consumption behaviour has been applied in addition to the two chosen theories. The three concepts provides explanatory tools to understand

consumer beliefs for consuming luxury commodities. The affective reactions to the luxury items are outlined in the concepts as a tool to explain the consumer and the motivational reasons for the consumption. In hedonic, the commodity is 'bought for pleasure' or in multisensory features such as visual, taste, smell outline the hedonic motivation for luxury consumption. In utilitarian, the commodity is bought for its functionality. Usually, quality comes with financial capital for commodities. However, the utilitarian motivation primarily focuses on the basic functions of the product rather than brand, social status etc. In symbolic, Thorstein Veblen's theoretical framework is exhibited. It features three sub-dimensions of consumption, namely Veblenian, Bandwagon. Each sub-dimension provide different understandings of the symbolic motivation for consumerism. (Dubois, Czellar and Laurent 2005) (Dhar and Wertenbroch 2000) (Hirschman and Holbrook 1982)

The secondary data collection of the qualitative research consists of the appliance of books, reports, academic research and articles. Throughout the study, a predominant focus on literature from social and political sciences has been maintained to acquire a comprehensive understanding of the Chinese winery consumer. The book *The Wine Value Chain in China* from 2016 by Capitello et al. provides specialised data within the chosen field and has proven to be an inevitable contribution to the study. Through an academic perspective, the book provides usable qualitative and quantitative data in the field of consumerism, winery's progression on the Chinese market with a specific attention to luxury wine consumption. However, it is important to notice that the chosen topic of the research has not been vastly investigated yet, as China recently developed and expanded its dedication to luxurious wines and, therefore, general data on Chinese luxury consumerism has been applied and compared to the existing luxurious winery consumption literature and the conducted interviews. In addition to its elaborate work, Capitello et al. published book provides information about previous research from academics within the same or similar fields as a tool to locate and study the academic articles. (Capitello, et al. 2017)

Ashok Sethi's published book *Chinese Consumers – Exploring the World's Largest Demographic* provides general empirical data to understanding and attempting to generalising the Chinese consumer without a specific focus on winery consumption but rather basic and luxurious consumption with an attention to the historic background and consumer behaviour (Sethi 2019). Moreover, the academic articles on generalised luxurious winery consumption has been applied to understand a conceptualisation of the perceptions and motivators that initiative luxurious wine consumption and, hereby, apply articles in this field to establish a perspective and relate to Chinese consumers and its consumption behaviour.

In the paper, an attempt to obtain a comprehensive understanding of the Chinese winery luxury consumer will be outlined. The purpose of the paper is to assess Chinese consumerism in perspective to luxury winery consumption. The strength of the research is outlined in its conducted primary data of interviews and questionnaires. Similar to other research, the paper has followed a comparable methodology as the research will be influenced by the conducted interview and questionnaires in its attempt to obtain comprehensive knowledge within a difficult field as it is not conceivable to describe a singular definition of the Chinese luxury wine consumer. Thereby, the research provides further academic contribution to its parallels and, hopefully, obtain further knowledgeable improvements to the field of research.

Analysing the primary data in form of conducted interviews and questionnaires and the secondary data in form of specific chosen empirical data within the research field, a comprehensive analysis can be outlined in the paper's purpose to answer the problem formulation and research questions.

2. Methodology

In this chapter, the methodological considerations of the thesis will be outlined in order to justify applied methods to the field of study. The applied methods describes the process to investigate the chosen research problem. Through the chosen techniques used to identify, select and analyse conducted and chosen empirical data to understand the selected topic and problem formulation. By the outlined methods and their contribution to the study, the critical reader will be able to evaluate the reliability and validity of the chosen study.

In the following chapter, the framework for the collection and analysis of data will be provided in form of a research design.

2.1. Research design and strategy

Through the adaption to a research design, the significant understanding of conducted research is essential. It supports in ensuring that the obtained evidence enables to answer the initial question as unambiguously as possible. The research design consists of methods and procedures which are used as tools to collect and analyse the conducted and selected data. In itself, the research design is used as a guideline and informative for the reader and consists of a framework created to answer the outlined research questions.

Within social research, variations of research designs are practicable such as experimental design, cross-sectional design etc. For the thesis, case study design has been chosen as the optimal choice. Throughout the thesis, a detailed and intensive analysis of a single case will be outlined. The term 'case' associates the case study with a location, such as a community or organisation and an intensive examination of the setting of the case (Bryman 2012, 67-68). In regard to the thesis, the organisation of Rare Wine has been chosen as the case study in regard to the company's setting on its inefficiency on the Chinese wine market and its strategical approach to reaching the Chinese luxury consumer and, thus, being more efficient on the valuable market. The adaption of a case study research design, the case is an object of interest in its own right and the researcher strives for implementing an in-depth elucidation of it and, thus, applying the idiographic approach by elucidate the unique features of the chosen case.

A case study research design is frequently associated with conductance through qualitative research. Through the adaptation of qualitative methods such as interviews and questionnaires, the procedure of an intensive and detailed examination of the case will be outlined.

A case study research design is frequently associated with conductance through qualitative research. The adaption of qualitative research methods such as qualitative interviews and questionnaires will contribute to the primary data of the research and provide in-person knowledge from both an academic perspective in Justin Cohen, a 'professional' perspective in Mads Jensen of Rare Wine and the consumers' perspective in the chosen respondents from the questionnaire.

As the predominant research strategy of the thesis is qualitative, the case study will undertake an inductive approach to the correlation between theory and research. The adaption of a case study research design, the case is an object of interest in its own right and the researcher strives for implementing an in-depth elucidation of it and, thus, applying the idiographic approach by elucidate the unique features of the chosen case. (Bryman 2012, 67-69)

2.2. Choice of theory

According to Glanz and Rimer, “A theory is a set of interrelated concepts, definitions, and propositions that present a systematic view of events or situations by specifying relations among variables, in order to explain and predict the events or situations. The notion of generality, or broad application, is important. Concepts thought of as the building blocks of theory or the primary elements. A construct is a term used for a key concept in a theory. Finally, a model is a generalized or hypothetical description used to analyse or explain something” (Trifiletti, et al. 2005). In other words, the set of interrelated concepts, definitions and propositions contributes to understanding and interpretation on social events and situations and, hereby, gain further knowledge within the field.

The chosen field of the research consists of a social science perspective and, therefore, the two chosen theories for the paper are Thorstein Veblen’s Theory of the Leisure Class and Pierre Bourdieu’s theoretical work on status consumption. Both theories are perceived as social science theories as both authors were, among others, recognised as sociologists. Their sociological approach in their respective theories consists of a set of interrelated concepts which can contribute to obtaining a systematic view in the search for analysing and explaining the consumption behaviour of the Chinese luxury wine consumer. In collaboration with the conducted interviews, the social survey of questionnaires and the chosen empirical data, the theories contribute a further understanding in order to explain and even predict the chosen field.

2.2.1. Choice of Pierre Bourdieu’s theoretical framework

The French sociologist, Pierre Bourdieu, developed a comprehensive theory of social fields as an attempt to explain the behaviour of actors in market-like situations by encompassing sociological perspectives to the situations. The theoretical framework consists of analysing the cultural consecration of specific commodities in differentiated societal fields. In order to explain this, the symbolic valuations to the economic and social status of the consumers are related as the consumer desires the need for self-perception or status in the social field. Unlike Veblen’s theoretical framework, Pierre Bourdieu has completed his work in several published books with the first originated in 1984. The primary theoretical tools reflected to his theory are *habitus*, *field* and *capital*. In *habitus*, Bourdieu provides a concept to explain the regularities of behaviour associated with social structures, e.g. social

classes. In it, the individual's set of inner dispositions reflects external social structures and forms the perspective of the individual. In fields, Bourdieu refers to the arena in which a specific habitus can be realised. Within the field, agents and their social positions are located and can influence your habitus. The fields interact with each other, obtains hierarchical features and class relations. In capital, Bourdieu refers to cultural, social and symbolic forms of capital. Each individual maintains a position in a multidimensional social space in which the person is defined by every capital that can be articulated through social relations. The appliance of Pierre Bourdieu's theoretical framework can contribute to understand Chinese luxury wine consumer behaviour in relation to social fields. Furthermore, it can provide greater knowledge on a general plan such as understanding the Chinese luxury wine market's development and its influence on the Chinese consumer behaviour and the motivational reasons. (Power 2015) (Bourdieu 1996)

2.2.2. Choice of Thorstein Veblen's theoretical framework

Thorstein Veblen and his theoretical framework has been applied as a second theory to the research. In his published book, Veblen provides comprehensive work in understanding luxury consumption from a social perspective. As mentioned in the literature review, the theoretical framework has been applied for past academic research within similar fields. In particular, Veblen's concept of conspicuous consumption have been practiced by scholars in order to explain fields such as consumer behaviour despite it being a rather elderly concept from his theory. In the search for status and display of economic power, the consumer acquires luxury goods such as wine. For the conspicuous consumer, a public display of discretionary economic power either results in achieving social status or preserving it. In the field of wine consumption, the acquiring of the commodity can be a tool of conspicuous consumption for the Chinese wine consumer (Veblen 1899, 33-35). The concept and its definition in relation to the Chinese luxury wine consumer behaviour can provide important knowledge for understanding the motivational factors for acquiring the commodity.

Another concept from Thorstein Veblen from his theory of the leisure class is the concept of pecuniary emulation. It relates to conspicuous consumption as it is defined by Veblen as the tendency of lower-class individuals conspicuously consuming to define themselves as part of the upper class. The consumption habits and the motivational factors behind it is related to signal the desire for becoming a part of an upper class. This concept can further help explaining the consumption patterns of the Chinese consumers and, particularly, the motivational consumption of the millennial consumer as

well as the luxury consumer in relation to the cultural aspect (Veblen 1899, 15-17). The economic factor in relation to society in barbarian society with barbaric social behaviour has been adapted to the research as well. In order to understand the individualistic and societal development, Veblen creates a perspective to the affluent American society. When Veblen wrote the memoirs in 1899, the American society was perceived as a 'newly rich' or nouveaux riches country which he defines as a barbarian society. In the barbarian society, an economic and sociologist perspective to individual decision making is developing with the influence of habits, institutions and emulation of higher social classes. Throughout the book, Veblen argues for stratified society in which the higher class is defined through material commodities and the lower class attempts to emulate in order to obtain individualistic self-concept and gained or maintained social status. To obtain this, conspicuous consumption is progressed in which the consumer purchase a luxury commodity in order to gain or maintain the individualistic social status and display economic capital. (Veblen 1899)

The theories' socialistic approach and its perspective on societal perceptions in order to obtain a greater self-perception create a theoretical framework which can assist in understanding the comprehensive development of the Chinese luxury wine market and contribute to analyse the consumer behaviour in China within the field of wine.

The combination of the chosen theories from Bourdieu and Veblen has provided explanatory tools to achieve a more comprehensive understanding of the empirical data in order to answer the chosen research questions, and, therefore, inevitable for the research.

2.3. Choice of method

As mentioned, the thesis undertakes a predominant qualitative approach. The comprehensive research data which structures the analysis consist of both primary data in form of the conducted semi-structured interviews and secondary data in form of empirical literature outlined in the literature review. The acquired data research for the purpose of this thesis will be explained and justified in this section.

2.3.1. The qualitative interview

In order to obtain knowledge in form of primary data, the technique of interviewing has been chosen as a methodological method. The technique of interviewing is mostly involved in predominant qualitative research as is the case for the thesis. For the thesis, three interviewees will be interviewed either face-to-face or through computer-based platforms. Afterwards, the transcription of the interviews will be provided to confirm the liability. For these interviews, the qualitative interview approach has been selected as the interviewer conducts them in a lesser structured and perceives the interview as a conversation with semi-structured questions rather than the structured interview approach which is usually conducted in quantitative research. (Bryman 2012, 469-470)

At a rudimentary level, the scope of the present research question, e.g. “Understanding the luxurious Chinese winery consumer”, would be difficult to be addressed through questionnaires or structured interviews. The interviewees obtain different opinions on the matter, and, therefore, the knowledge obtain from structured questions would be difficult to quantify. Moreover, the qualitative interview approach was chosen as the interviewer concluded that in-depth interviews with the three interviewees will provide a much richer and more nuanced view on their personal experiences, opinions and knowledge about the research question.

The thesis’ qualitative interview guide has been prepared following the guidelines provided by Alan Bryman in his book “Social Research Methods”. According to Bryman, qualitative interviewing consists of the combination between unstructured interviewing and semi-structured interviewing. In regard to choosing qualitative interviewing rather than structured interviewing, the interviewer values the interviewee’s point of view and encourages to enter a conversation with semi-structured questions. Through this, the interviewee is considered “free” in the interview and can depart significantly from any schedule or guide, ask following questions to the interviewer and, thus, establish a so-called ‘rambling’ conversation in which the relevant and important parts of the interviewee can be extracted. Furthermore, the participants in the interview has the freedom to be flexible and influence and adjust the emphases in the research to obtain rich and detailed answers. (Bryman 2012, 470-471)

Prior to conducting the three interviews, a prepared organised schedule of suggested questions of the interview guide in a somewhat binding sequence to help the interviewer remain within the thematic framework which is important according to Bryman: “The researcher has a list of questions or fairly specific topics to be covered, often referred to as an interview guide” (Bryman 2012, 471).

2.3.2. Selection of the interviewees

As mentioned, the majority of the empirical data in the thesis was collected through three qualitative interviews. One conducted face-to-face at Rare Wine headquarters in Denmark, one conducted face-to-face in Beijing and one conducted through the communication platform of Skype. The three interviewees were selected on different grounds as each interviewee possesses various expertise within the chosen field of study. Each interviewee's individual qualifications for being chosen as participant in the interviews will be outlined later on.

A rudimentary parameter from which the interviewees were chosen was based on individualistic expertise within the field of study as the interviewer consciously chose to narrow the field of eligible interviewee candidates to provide individuals who have an extensive knowledge regarding either Rare Wine, the global winery market, the Chinese wine market or the Chinese luxury consumer. Each individual provides extensive knowledge on one or more of these fields. These chosen parameters for each interviewee enhanced the importance of providing credibility associated with trust of the chosen interviewees informative answers based on professionally expertise knowledge and experience. Within the three chosen participants, a personal requirement of obtaining knowledge from both a professional background and an academic background was of great importance to obtain comprehensive knowledge from both backgrounds. Through the addition of both backgrounds, one could argue that the credibility and validity of the three interviewees and their expertise data will be comprehensive for the chosen research and, thus, be a paramount to the overall credibility of the thesis. It is, however, important to notice that the chosen interviewees' knowledge will not be uncritically embraced as an indisputable truth and each interview will be analysed critically.

Interviewee 1 is 43 years old, Danish and is the owner and CEO of Rare Wine. Interviewee 2 is 35 years old, Australian and PhD in Business (Marketing) and provides expertise in route-to-market decision making with a distinct proficiency in the Chinese wine market.

2.3.3. Interview guide

In accordance with the conductance of a qualitative interview, an interview guide to cover the topic and specific questions has been completed in order to remain within the chosen topic and to obtain useable answers within the field to include these as a tool in creating a satisfying analysis, and,

therefore, the interviewer has followed a script to a certain extent. Through the appliance of qualitative interview, a flexible interview process will be adapted, and the interview will be viewed as a conversation including follow-up questions to the interviewee's answers to conduct in-depth interviews (Bryman 2012, 471). See appendix 1 for interview guide.

2.3.4. Questionnaires

In order to conduct comprehensive social research, the method of self-completed questionnaires has been applied to the paper. Similar to conductance of qualitative interviews, questionnaires are familiar as the researcher establishes this form of data collection in order to obtain knowledge within the field. Just as the interviews, the researcher creates questionnaires with an individualistic research design in order to understand further knowledge to answer the research questions. With the questionnaire, it is easy for the participant to follow and its questions as it consists of specific 'closed' questions to hopefully provide desired knowledge within a distinct field. E.g. motivational factors for luxury wine consumption to understand Chinese wine consumer behaviour. The appliance of questionnaire as an instrument for gathering data for social survey design is relatively recognisable in past research within the field. The administration of questionnaires can be applied in several variations as the questionnaire can be conducted 'face-to-face', online surveys, postal or email. For this research, the method of 'supervised self-completion questionnaire' was adapted as the form consists of supervised conductance of the questionnaires. An effective questionnaire is structured to produce reliable information as it provides the desired amount of information for the researcher. To obtain this, a structured questioning in the questionnaire with single, identical and closed-end questions, a structured questioning was outlined throughout the conducted social survey. (Peterson 2013, 5)

The questionnaires were conducted at two wine events located in Beijing, namely social wine events at Lady Penguin, a popular social wine bar, in Sanlitun and the Peninsula Hotel Beijing. For these two events, a total of 10 participants applied for the questionnaire. Primarily, the premier adaptable form of conducted questionnaires is through online surveys as it demands a fracture of the time in comparison with the others forms. Moreover, online surveys are more suitable for conducting social surveys with a large number of participants and, thus, obtain more convincing and comprehensive knowledge within the field. However, an internet survey can be considered as untrustworthy and, hereby, less comprehensive and usable as data as the respondents of the survey is

none recognisable. Through the conductance of the questionnaires at social wine cultural destinations with selected wine enthusiastic respondents, the research ensures profitable and adaptable data to further research.

For this research, the applied form of supervised face-to-face questionnaires was preferable to the study. In China, it is possible to obtain answered questionnaires from a large number of participants. However, as the Chinese wine culture is gradually developing in this, still, emerging wine market, the researcher valued comprehensive and especially trustworthy face-to-face questionnaire with a lessened number of participants. Moreover, for this other-administered questionnaire the researcher found it advisable to introduce each question in its context and, hereby, ensure that all respondents possess the same level of knowledge before answering the questionnaire. (Peterson 2013, 8)

In his book, Peterson argues that the quality of questionnaire-based information “has profound implications for the validity of the theoretical models developed and test.. and the utility of the practice-related recommendations made” which he draws from his colleague, Stone (Peterson 2013, 11). In other words, the quality of the questionnaire is directly responsible for the quality of the data obtained from the questions. In order to obtain profitable information from the questionnaire, the quality of the questions constructed is directly proportional to the quality of the questionnaire.

For the research, an accessible questionnaire was established and conducted for the chosen ten participants. Despite its simplicity, the structure of the questionnaire and its questions are influenced by the applied theories for the research. The questions were created in the perspective of the theoretical framework of Bourdieu and Veblen in order to prove the validity of the chosen theories and, hereby, obtain profitable information for the study.

2.3.5. Selection of respondents for the questionnaire

Similar to the selection of interviewees, a selection of the respondents had to be completed before processing the questionnaires. Incomparable to the interviewees, the participants in the questionnaire were selected on both similar and dissimilar grounds. As an attempt to obtain as different knowledge, the researcher sought information from respondents of different social classes. The research instrument consists of a series of questions that related to both the upper-class and the middle-class and, hereby, the purpose was to gather information from individuals perceived as upper-class and individuals defined as middle-class in terms of economic capital. The contrast in the choice

of respondents for the questionnaire should provide a variety of consumer behaviour and motivational factors for purchase and consumption of the commodity. For the researcher, the diverging responds from the respondents of different economic and social classes. The respondents of the upper-class provides presently responds and the answers from the middle-class contribute the social survey with important knowledge for a considered impending group of consumers. In an international perspective, the difference in the chosen respondents should provide supplementary knowledge for the chosen case study in its attempt to understand Chinese luxury wine consumer behaviour and expand its position on the market in its challenge to reach the Chinese end-consumer.

The participants for the questionnaire were selected from a rudimentary parameter based on specific economic and consumption requirements. In total, ten participants were a part of the survey. Five of the participants were categorised as the Luxury Wine Group or LWC. The survey for all respondents was conducted at the Peninsula Hotel in Beijing at a social wine event. Out of the five, three were part of Rare Wine's customer base and occasionally in contact with the researcher for wine consultation. In mutual agreement, the three participants agreed to participate in the survey before the researcher's arrival at the hotel. The remaining two participants were unknown wine enthusiasts participating at the social wine event. As for requirements for the LWC group, the research demanded respondents with a high income, self-considered wine enthusiasts with frequent consumption and purchase of wine. The remaining five participants were categorised as the Millennial Wine Group or MWC. The survey for these respondents was conducted at Lady Penguin in Sanlitun. The five participants were unknown to the researcher and primarily described themselves as 'new wine enthusiasts'. As for the requirements for the MWC group, the research demanded respondents born in 1980s, interested in wine as a commodity and beverage and working with a stable income. Despite the rudimentary requirements for the participants, the researcher argues that these prerequisite demands can provide sufficient feedback from the survey for further research.

For the questionnaire guide, the content of the inquired questions and answers has been outlined in the analysis and as a separate appendix.

2.4. Choice of case study

The chosen case study represents an essential part of the research. The case study involves in-depth and detailed examination of the case study and its related contextual conditions in order to structure research questions.

The Danish entrepreneur, Rasmus Nielsen, founded Rare Wine in 2006. Through Rasmus' passion for winery and his abilities to understand the global wine market, he established the company with a commitment to spread his appreciation for the finest and rarest wine on the global market. For thirteen years, the company's comprehension of the fine winery, the global wine market and its consumers has developed Rare Wine into the leading fine wine merchant in Scandinavia with a selection that encompass a plethora of different types of wine and spirits from the entire world in collaboration with a distinct focus on creating the best possible service for its customers.

Despite the Danish company's acknowledgement of the developing Chinese wine market and its consumers, Rare Wine has had difficulties with extracting its potential on the market. The company understands the importance of evolving its presence and sales on the Chinese winery market, as China is perceived as the most appealing export market for winery by both producers and exporters in terms of the country's increasing devotion for fine winery and its countless financially strong consumers which in combination creates an inevitable market for Rare Wine as the company pursues continual development. It is, however, important to notice that the Danish distributor of fine winery and spirits is performing on the Chinese market. The company plainly searches for advancement of the market to increase its customer base and its sales.

The selection of the case is related to the Danish company's desire to strategically expand their market position on the Chinese market by understanding Chinese luxury wine consumer behaviour. Rare Wine has insured information-oriented sampling to gain insight knowledge from the company and the company has made themselves available at all time if the researcher wants further material based on the company, sales etc. Moreover, the Sales Director of Rare Wine, Mads Jensen, agreed to a qualitative interview and, therefore, the company provides extensive material and knowledge, if wanted.

2.5. Data collection

In this section, the different types of applied data for the analysis will be discussed. As mentioned earlier, the thesis relies on both primary self-constructed primary data in form of interviews and secondary data in form of empirical literature which is outlined in the literature review. The primary and secondary data understand a satisfactory standard and enables the possibility of answering the outlined research problem in an accurate way. In regard to the secondary empirical data, to determine and understanding the motivational aspects of Chinese consumerism a variety of sources has been analysed in form of the book, “Chinese Consumers” by Ashok Sethi, relevant reports from consultant agencies and think tanks, e.g. McKinsey, Bain & Company etc., as well as applicable journals in the field of consumerism. In order to obtain knowledge and understand the Chinese wine market, various sources has been analysed in form the book, “The Wine Value Chain in China” consisting of various authors and contributors with either a professional background or an academic background. Moreover, the appliance of reports and journals from applicable sources in the field of China and its developing wine market has been applied to obtain comprehensive knowledge on the topic.

2.6. Limitations of the research

In this section, the various limitations of the research will be addressed. A significant limitation of the research is the potential risks of conducting an interview. In accordance to Bryman, several factors pose a significant threat of compromising the collected interview data. Bryman outlines five potential risks which could potentially impact the final interview data in a negative perspective: “1. Unexpected interviewee behaviour or environmental problems, 2. Intrusion of own biases and expectations, 3. Maintaining focus in asking questions, 4. Dealing with sensitive issues, 5. Transcription”. In order words, Bryman expresses the importance of understanding these interview risks in order to complete a satisfying and knowledgeable interview. (Bryman 2012, 475)

For the chosen case study of Rare Wine, the researcher has been offered an occupation at the company as Operational Area Manager in China which has been gladly accepted. For the research, however, a conflict of interest could invoke. The researcher is involved in the company which can resolve in multiple interests from both the chosen case study and the researcher and the researcher could be influenced in the study by Rare Wine and the relation to the company. It is important to notice for the reader that the case study has been available for the researcher at all time, if the research demanded material from the company. Besides that, the only ‘influence’ has been the conducted qualitative

interview with Mads Jensen, Sales Director at Rare Wine in which the procedure was similar to the one of Justin Cohen and unbiased. The company has allowed the researcher to conduct a study based on Rare Wine as the case study without any restrictions or interaction on the matter.

In regard to the applied secondary data, a significant limitation of the research is the fact that the Chinese luxury consumer cannot be described through a singular definition. Moreover, the term “luxury” is, as well, difficult to define as the definition of the term varies. Therefore, defining and understanding the Chinese luxury consumer can be insufficient. Lastly, due to a lack of Chinese linguistic skills, Chinese language empirical research has not been applied to the research. Thus, the thesis might present some cultural biased empirical data as interpreted secondary data predominantly originates from a Western source. It is, however, important to notice that Chinese sources translated to English has been applied in the thesis in order to provide a wholistic vision as well as possible.

3. Theoretical framework

In this chapter, the implied theories in the following analysis will be outlined and investigated in order to provide a better understanding of the collected empirical data through a comprehensive analysis. In the following chapter, Bourdieu's theory on status consumption will be outlined.

3.1. Bourdieu's theory on status consumption

The term *status consumption* has been developed for providing an understanding to the mechanics and social consequences of consumption used to express social class position. Pierre Bourdieu's three concepts of cultural capital, habitus and social field consist as key constructs for revising the chosen field of study. In collaboration with the applied empirical data, Bourdieu's three concepts on status consumption can provide a comprehensive understanding of the conducted data.

Thorsten Veblen and Georg Simmel initiated the academic research on status consumption as they provided the trickle-down theory in which relying on conspicuous consumption displayed the desire for progressed status as a symbol. Simmel added the notion of class hierarchy and the search for emulating the leisure class. The trickle-down theory will be outlined in the next chapter as it provides informative theoretical aspects to the applied empirical data.

In 1984, Pierre Bourdieu revitalised status consumption research in connection with his published book *Distinction* which provided a nuanced multidimensional model in the field. In it, Bourdieu's three concepts of cultural capital, habitus and social field have constituted general guidelines in understanding status consumption by adapting the concepts to empirical research. Bourdieu argues that consumer choices is reflected in a symbolic hierarchy which is maintained by the socially dominant to enforce their social class by distinguishing them from a type of class and progressing them towards a higher class. In other terms, consumer preferences can be regarded as a social weapon which defines and distinguishes levels of classes, e.g. the legitimate from the illegitimate. In his theory, Bourdieu provides a sociological perspective to consumption behaviour as he provides guidelines for understanding an individual's or a society's motivational factors in the field of consumption. In the theory, Bourdieu outlines a sociological aspect to transcend the structure dichotomy to understand human behaviour and the problematic consequences of institutional and structural properties of society interact with human agency based on independent cognitive processes

such as human behaviour. He portrays the relationship between structure and agency as dialectical rather than oppositional. In this field, a multidimensional ground of positions in which an individual is perceived by the composition of the individual's consumption behaviour within different fields as consumption realms relates to field of power relations. Within the field, an individual search for imposing various forms of capital to display dominance and relate to a hierarchy as the individual seeks to be dominant rather than dominated. In other words, the individual who possess a high quality of capital is perceived as dominant and related to the leisure class. The consumption field consists of social classes as Bourdieu refers to classes on paper. The classes are constituted by individuals who inhabit similar positions in the multidimensional ground. Within a class, a similar material and cultural condition will be adapted which provide similar dispositions and interests and evolves into similar practices and adopting similar stances, e.g. consumption preferences in purchasing a certain type of luxury wine.

Bourdieu outlines structural constraints in the form of cultural and economic resources, supply and demand conditions etc., which can be perceived as a limitation of the occupational mobility of individuals. The structural factors provide a clarification of the statistical probabilities of actors in the field. He introduces these tendencies as "habitus" which, in Latin, refers to habitual or typical condition, state or appearance. Constantly modified or reinforced through experience, Bourdieu provides the concept to refer to an open set of disposition which create individual perceptions, attitudes and practices. Thus, the habitus influences the perceptions within a certain field and is constantly modifying as they are "capable of generating a multiplicity of practices and perceptions in fields other than those in which they were originally acquired". An individual acquires the habitus through social conditioning, which is constantly modifying, e.g. a "class habitus" which is reflected through material and social conditions. In other words, an individual born and socialised in an upper-class habitus will most-likely experience similar life conditions with similar perceptions, practices and attitudes through life. However, as Bourdieu points out, the individual's habitus can either maintain or change as the individual's capital develops despite the probability of experiencing the similar conditions as life progresses. Bourdieu provides this concept as an explanatory tool to understand that an individual's actions creates an ever-changing habitus.

3.2. The Theory of the Leisure Class

In this paragraph, Thorstein Veblen's theory will be explained in order to provide an accurate research as a theoretical framework in the paper. As his theory consists of various concepts, only the relevant concepts to this paper will be described.

In 1899, the American economist and sociologist, Thorstein Bunde Veblen, published his book *The Theory of the Leisure Class: An Economic Study in the Evolution of Institutions*. In it, Veblen presented evolutionary development of human institutions (social and economic) which constitutes in shaping society.

According to Veblen, the institution of a leisure class is best found in developed societies with a barbarian society. By "barbarian", Veblen contrasts to "primitive" societies. In other words, barbarian societies consist of classes of people who distinguish themselves and regard themselves as an individual with personal interest instead of a socialistic collective, in perspective, a barbarian society could arguably be defined as a Western society. A barbarian society does not consist of peace but consists of a more hostile and aggressive environment. Veblen regards the society to include two classes, the inferior class and the leisure class. The inferior class consists of the working society that practice manual and industrial labour as the exclusive occupation. The leisure class consists of the upper class, a so-called predatory class. In terms of consumption of goods, the inferior class purchase by intrinsic, practical utility and, thus, primarily purchases necessary and unavoidable goods and services. Meanwhile, the leisure class' discretionary income consents them to practice economic consumption of goods and services which are motivated through the desire for honour and prestige by publicly displaying them to attain or maintain social status. In these communities, the indifference between the classes is observed and by economic significance the distinction between them appears. (Veblen 1899, 7-9)

3.2.1. Conspicuous consumption

In this chapter, one of Thorstein Veblen's most well-known concepts was outlined, namely conspicuous consumption.

Veblen emphasizes that "Conspicuous consumption of valuable goods is a mean of reputability of the gentleman of Leisure". Veblen argues that, at first, conspicuous consumption began as the consumption of food, clothing, dwelling and furniture. In other words, normal consumption of needed goods for all individuals. However, through economic evolution, specialised consumption of goods had begun to work out in a more or less elaborate system. As mentioned, this form of consumption was developed into an honorific-based system which displayed wealth and strength in barbarian societies.

Veblen argues that "the utility of consumption as an evidence of wealth is to be classed as a derivative growth". In other words, the amount of goods might display strength, wealth and honour. In reality, however, the amount of goods only provides these through a superficial telescope. The consumption of goods displays comfort, knowledge and success and, thus, increases an individual's image as being superior through economic power. For the conspicuous consumer, acquiring consumer goods or services and publicly displaying them as a discretionary economic power is a strategy to either achieve or maintain social status. (Veblen 1899, 33-35)

Since Thorstein Veblen coined the term "conspicuous consumption" in 1889, its dynamic approach has primarily evolved as individuals strategically continue to promote and display wealth in order to extend social status. E.g. designer clothes, jewellery, luxury cars etc. For instance, an exclusive Christian Dior dress is marketed on a Chinese social media by the luxury brand itself who promotes glamour and success as their eye-catching words and, hereby, the individual's purchase of the Christian Dior dress provides a modern perspective to Veblen's concept. A purchase of the consumer good is bought to display economic power, honour and social status. In other words, acquired in order to promote an individual's image to be a part of the leisure class instead of the inferior class. This example outlines Veblen's emphasis on the leisure class' consumption of goods as being *pecuniary*. In his understandings, a consumption good of an expensive Bourgogne red wine provides added pecuniary value than its intrinsic value. In other words, the wine's superficial value exceeds its aesthetic value or utility.

3.2.2. Pecuniary emulation

In the chapter *Pecuniary Emulation*, Veblen argues that the notions of a leisure class are closely connected of ownership. In his regard, ownership began through the early stages of slavery where the quantity of slaves displayed wealth. Later on, the ownership extended to products and goods and, thus, a system of ownership of property was created. Moreover, he argues that in a society where private property ownership exists there is automatically a struggle for each individual to achieve possession of property in an attempt to display wealth. In the early stages, property ownership was perceived as a communal honour as property ownership displayed a strong and wealthy community (Veblen 1899, 15-17). However, communal display of wealth has evolved into an individual display of wealth.

“When accumulated goods have in this way once become the accepted badge of efficiency, the possession of wealth presently assumes the character of an independent and definitive basis of esteem.” (Veblen 1899, 15)

In other words, Veblen regards the possession of wealth as a dominant theme in a barbarian culture and an individual who lacks to display wealth is usually a failure in society’s perspective. Furthermore, in Veblen’s opinion, as society develops the easiest manner of comparison is a pecuniary measure. Thereby, wealth is used to measure an individual’s worth and social status. Moreover, in order to attain and gain greater social status within their social class, lower-class people emulate the higher-class members of their socio-economics class through the consumption of expensive brands to achieve a higher social-class. Despite the availability of lower-priced products, the perception is that the quality and social-prestige is lesser than consuming exclusive and expensive brands as they portray economic wealth and the adaption to a higher social-class.

4. Background information

4.1. Chinese luxury consumer market overview

China, a country which defies itself as a socialist country through Chinese characteristics, has intensively evolved into a voracious consumer of luxury goods. Generally speaking, luxury consumption usually is enforced in developed countries as the consumer income ordinarily generates purchase of luxury goods as it becomes a normality within the society to obtain more luxurious goods with a higher income (Sethi, Chinese Consumers 2019). A similar situation has partly been institutionalised in China. Starting from the 1990s, global luxury brands entered the Chinese market. Despite the country still accounted several hundred million of its citizens below the poverty line, the metropolitan cities experienced the invasion of global luxury brands. In general, the Chinese luxury market has experienced an increase since the early 2000s. Intact with the increasing luxurious consumption, China has more than doubled its GDP per capita 8 times since 2000 and, hereby increased the Chinese adaptability to consumption. Moreover, unlike its Western counterparts, the Chinese luxury market did not decrease during the two global financial crises at 2004 and 2008 due to its government's initiatives at the course of the crisis. Especially during the 2008 recession period, China's luxury consumption experienced an increase of 16% in luxury items sales. In particular Beijing's initiatives in promoting consumption as the government undertakes a new economic plan through service and consumption rather than enterprising its former industrialised market plan, the government recommends the state's inhabitants to purchase goods and, thus, thrive the economy.

In 2004, the American powerhouse in investment, Goldman Sachs, predicted that China would become the fastest growing luxury market. As the country continued to grow its GDP per capita, its individualistic consumption would follow. According to Goldman Sachs report, China represented 12% of global sales in the luxury items market in 2004. According to the investment bank, China would approximately account for 27 billion U.S. dollars or roughly 20% of all global luxury consumption by 2015. Goldman Sachs announced the Chinese market as an exceptionally promising and untapped market. In comparison with the European and American market, who can be viewed as saturated, the Asian market, especially the Chinese, can be regarded as relatively untapped with a high margin of venue for luxury brands. In 2018, management consultancy firm, Bain & Company, announced China as the largest global luxury market. According to their report, China accounted for

one-third of the global luxury market in 2018. In second place, the United States numerated 22% of the global market. For the second straight year, China's luxury consumption grow a healthy 20% in 2018 and, thus, continued its momentum from 2017 (Langlois and Barberio 2013). In collaboration with its increasement and Beijing's advisement to continue individualistic consumption, the Chinese luxury market is inevitable to ignore for companies such as Rare Wine. The country's healthy individualistic socioeconomic luxury consumption represents a potential high revenue market for the leading wine merchant of luxurious and exclusive wines in Scandinavia.

4.1.1. China's e-commerce market

One of the new challenges or opportunities to the Chinese market is the country's e-commerce market with has exploded with various platforms to sell products online directly to the Chinese consumer. The e-commerce market is continually increasing its presence in China and the Chinese government actively promotes digitalisation and the benefits that comes with it, such as e-commerce. In its strive to become a global e-commerce leader, the government launched the "Internet Plus" programme in 2015 to promote e-commerce including innovation and online economic activity. Actively, the government ensures improved laws within e-commerce platforms in terms of intellectual property rights and protection of the consumers as Beijing tries to encounter the challenges of digitalised platforms for consumption such as counterfeit goods. The wine purchase on the platform is developing. In 2014, nearly half of the Chinese drinking population, purchased wine on an e-commerce platform. The Chinese e-commerce market is, without a doubt, here to stay as the platforms acquires increasing online wine buyers.

The Chinese e-commerce market is the largest and most innovative retail market global. Forecasted to compound annual growth rate in double digits, online retailing is anticipated to increase form 17% of total retail sales in 2017 to 25% by 2020 (ITC 2016). In regard to this, e-commerce has evolved into a top three strategic priority for most retailers and brands as the Chinese online platform provides a glimpse to the future of global retailing as e-commerce obtains a general global prosperity. Moreover, the Chinese e-commerce market has developed from original platforms of JD.com, Alibaba etc. into social media platforms expanding its platform into a mixture of social media and e-commerce.

In today's China, the Chinese consumer is characterised by the mobile first consumer behaviour as the only nation, thus far. Chinese consumers accounts for 1.1 billion mobile internet subscriptions which is more than 2.5 times those in the United States, the second largest market. Through the embracement of the mobile device, interaction with brands as well as purchasing goods and services has been adapted, e.g. WeChat Official Accounts for brands and establishing WeChat Stores. As the Chinese consumers began to explore the online platform, the existing Chinese retail landscape was inefficient which created online competition. Through marketplaces and digital platforms open to third-party merchants, China's digital shift commenced. Moreover, through the establishment of payment apps like Alipay from Alibaba's subsidiary Ant Financial, a secure way to transact online was created for the Chinese consumers. (Evans 2017)

The Chinese e-commerce market is fiercely competitive. The platform expands daily by building broad digital ecosystems as the local and international brands compete for the consumer's attention and wallet. Today, over 750 million citizens are connected which is a greater population of Europe. The digital revolution evolves buying behaviours and the way that brands engage their consumers must be collaborated with the digitalised Chinese consumer to engage on the market (Nielsen 2018). In this dynamic retail environment, only the most innovative stands the distance. Therefore, the adaption to China's hybrid social media and e-commerce market is a necessity for foreign companies in pursuance of progressing on the Chinese market and reaching its consumers. In order to reach the Chinese consumer in an effective way, it is a necessity for a foreign company to operate on Chinese social media. As Western social media platforms like Facebook and Twitter are banned in China due to censorship, it is a prerequisite for the foreign company to commit to Chinese social media channels.

4.2. Chinese wine consumer market overview

In order to understand the Chinese wine consumer, the Chinese wine market requires analytical perspectivation. Through understanding the development of the market and its future, further knowledge can be added to the strive to understand the consumer of the market. This chapter provides greater knowledge on the emerging wine market of China in collaboration with the chosen theoretical framework.

For nearly 20 years, China has been praised as the newcomer in wine. Primarily based on the country's consumption but also for its recent focus on domestic production of grape wine. The

Chinese economic miracle and increasing GDP per capita in collaboration with the country's massive population of nearly 1.3-1.4 billion people have created a nearly mythologised perception on China and its market. Similar to the Chinese market's almost 30-year transformation in luxury consumption, the Chinese wine market is expected by scholars to undergo a comparable revolution as the Chinese luxury market. However, whilst the luxury market has had an incomparable massive transformation, the wine market has not undergone the same development since China was praised as the emerging new market nearly 20 years ago. Winery consumption and production have increased spectacularly, however, the development is incomparable to the extraordinary revolution of the general luxury market. In this chapter, the development of the Chinese wine market will be explained in order to understand the comprehensive market before understanding its consumer.

After 2005, research literature on the Chinese wine consumption and its consumer appeared in a further context as China received the honour of being the world's fastest-growing wine market. As China became the fastest-growing wine market, it received further media attention to wine spreading as the consumption increased and a growing demand and thirst for high-quality wine began, so did the academic research on the market. The rapid development primarily began due to its increasing GDP per capita income and the influence of a Westernised lifestyle, especially for the millennial segment group. Moreover, the Chinese government actively promoted wine-drinking and contributed in part to the country's wine sales and wine consumption as they regarded the national stocks of rice for production of food rather than alcohol and, thus, decreasing China's production of baijiu (白酒) or rice wine.

In terms of numbers, the volume of wine imports in China has increased by 26,000% from 2000 to 2011 with a specified and continuing increasement on the Chinese demand for expensive wines. In particular, the French winery is demanded from the consumers more than any other wine provider. From 2005 to 2014, the Chinese wine market quadrupled in volume from 547 million litres to 2 billion litres. The value size of the market increased its development after 2007 as it reached 134 billion renminbi in 2014. In 2014, the Northern and Northeast markets such as Beijing, Shanghai and Hong Kong provided the highest sales in volume on the Chinese market as it was reported to reach 625 million litres. In other words, the popular urban tier-one cities accounts for the highest contribution to the wine consumption in China.

As of now, wine consumption is still regarded as a luxury good and self-identity product in China. It has great value in symbolic meaning as it provides the idea of an affluent and trendy Western

lifestyle, social status and prestige. The process of purchasing and consuming wine is regarded as graceful, elegant and reveals individualistic taste as the consumption of foreign-made wines is considered a symbol of food culture, sophistication and fashion. Furthermore, the consumption of red wine has a specific meaning in Chinese culture. Beside the taste, red wine gained popularity through its distinctive colour as red symbolises luck in traditional Chinese culture and, thus, creates prosperity and good fortune through the consumption of red wine. Additional to the colour, wine consumption is considered as health related as it links with traditional Chinese medicine in which distilled spirits containing Chinese herbs are consumed to assist in improving personal health. The Chinese wine consumer extended beliefs and attraction to the “healthy” choice of consuming red wine might had its influence as red wine marks 90% of the total wine consumption on the Chinese wine market. However, the connection between red wine and the Chinese cuisine has had its difficulties as the product has not been adapted to the gastronomic culture of China yet. In China, unlike its Western counterpart, wine has received a reputation as a gift-giving product for special occasions such as banquets, weddings etc. For wine to thrive, one can argue that the general individualistic knowledge on red wine has to be enhanced by wine enthusiasts to develop the industry in order to change the fundamental attitude and demand for wine and, hereby, reach the massive potential of the Chinese wine market.

4.2.1. China’s wine import market

As mentioned earlier, China’s import of foreign-made wine has been remarkable for the past years. Since 2009, the import wine sector has witnessed annual growth of 65% between 2009 and 2010 and additional 28% between 2010 and 2011 and, thus, marked China as the most important global emerging market. The market share of the wine is dominated by the French wine industry as Cabernet plays a vital role in the industry’s wide portfolio to become the leading market share in the Chinese import wine market. The French wine has increased its influence on the market as it progressed under 10% in 2002 to nearly 34% in 2014. Before the French wine revolution in China, the wine industry of Chile dominated the market as it provided massive imports in volume. Despite a reduction of wine import tax between China and Chile, the Chilean wine has not been able to require its former position as the largest market share. Instead, Chile resolved to fighting for continuant market share with Australia and Spain. In other words, the Chinese import market clearly favours the

French wine industry, however, the Chinese wine consumer welcomes other countries' wine. As an indicator, this illustrates a rational wine consumer not primarily tied to the most popular wine industry.

5. Analysis

In the following chapter, the analysis of the paper will be outlined. In the first sub-chapter, selected questions and answers from the interviewees in the self-conducted primary data of the conducted interviews will be presented collaborated with the chosen secondary data in a theoretical perspective in order to analyse the interviewees knowledge within the field of Chinese wine market and the Chinese wine consumer behaviour.

5.1. The Chinese wine consumer

Similar to the chapter on the Chinese luxury consumer, the Chinese wine consumer has been attempted to be described through prior literature by several scholars within the field. Obviously, the first mentioned consumer has been explored further than the wine consumer as wine can be perceived as a luxury good and, thus, the wine consumer can be outlined within the exploration of the luxury consumer. In this paper, however, the academic research on the Chinese wine consumer and the purchase behaviour will be outlined and analysed as the general Chinese luxury consumer has been explored earlier. In this chapter, the primary data of conducted questionnaires and interviews will be analysed to gain knowledge in understanding the Chinese wine consumer.

5.1.1. Interviews for understanding the Chinese wine consumption behaviour

The technique of interviewing was chosen as a method in order to obtain knowledge in form of primary data. As mentioned, the structure of the qualitative interviews were semi-structured as the researcher perceived the interviews as conversations with various structured questions created before conducting the respective interviews. In total, two interviewees were interviewed. In this chapter, selected questions and the questioned interviewees' response will be outlined in accordance with the chosen theoretical framework for the research.

5.1.2. Veblen and the conducted interviews

In the respective interviews, Thorstein Veblen and his theoretical framework influenced the direction of the questions with a distinct focus on his two concepts of conspicuous consumption and pecuniary emulation. The researcher has selected two Veblen inspired questions and their answers have been outlined.

Q1: In relation to the total sales to China, which region of Western wine do the Chinese wine consumers usually inquire on and purchase? And at what price range (approximately)?

Question 1 was selected to Mads who represents the case study, Rare Wine, in the interview. The question was chosen as the answer provides further knowledge in the field of Veblen and conspicuous consumption. For the question, Mads answered the following:

“Our sales on the Chinese market is heavily focused on French wine, in particular from the region of Bordeaux such as Merlot or Pétrus. Usually, the inquiring from the Chinese costumers is related to French vintage wines. Since we first interacted with people from the Chinese market, they’ve inquired on French wine more than any other which is ‘lucky’ for us since we specialise our wine portfolio in this region. Regarding the price, it varies. It can be a Pétrus for 25,000 euro and it can be a couple of Lafite for 500 euro.”

The answer from Mads corresponds with the sub-chapter on China’s wine import market in which French wine is placed as the wine country with the largest market share on the Chinese wine market and the Chinese consumers continues to purchase wine from the French market and, in particular, Bordeaux. Since the French import of wine in China, Bordeaux has been an important factor due to its cultural capital which is heavily influenced with the ‘Old Europe’ and gradually the Chinese wine consumers have discovered the French variety of wine related to quality (Made 2019).

Both through the answer from the interviewee and the empirical data, the Chinese wine consumption in general and at the case study is heavily influenced by French wine. In accordance with conspicuous consumption, one can argue that the investment in wine from regions such as Bordeaux provide symbolic meaning to the individual. In the case of a purchase of a Pétrus for 25,000

euro, the commodity also displays economic capital and, thus, the social status of the individual can either be gained or maintained according to Veblen. With the purchase, the consumer invest in a luxury good to display both economic capital, knowledge and, ultimately, a given social status.

Q2: How do you portray the Chinese wine consumers' motivational reasons for consuming red wine?

Question 2 was a part of the interview guide questions for Justin Cohen. By interviewing Justin, an academic perspective is obtained as he has a PhD within the field. In itself, the question is influenced by Veblen, Bourdieu and the values of the commodity and can therefore contribute to them all. In his response, Cohen answered:

“When it comes to the motivational reasons for the Chinese wine consumers' behaviours and consumption patterns, they obtain similar motivations as us and stick out in other ways. In terms of how they stick out, there are several reasons. Generally speaking, they regard red wine as healthy. A healthier choice than baijiu. They prefer red wine over white wine and champagne as the taste suits them better. Consuming red wine gives some social status to the consumers in an emerging wine culture. Especially with wine from well-known regions.”

In his response, Justin Cohen provides several reasons for the, generally speaking, Chinese wine consumers' motivational reasons for consuming wine. As mentioned earlier, red wine is recognised as a healthier choice to traditional Chinese liquor such as baijiu. In relation to utilitarian motivation for consumption of wine, the Chinese wine consumer focuses on the health benefits of red wine and it influences their purchase and consumption of the commodity. Similar to the first question, the hedonic motivation from wine is included as well such as the multisensory motivation from consuming red wine rather than e.g. white wine, in particular wine from the French region. In Cohen's response, conspicuous consumption in form of displaying social status for the consumers is present as well and, similar to the first question, the social status is increased should the purchased wine originate from a well-known region which will exhibit both cultural and economic capital.

5.1.3. Bourdieu and the interview

Similar to the last sub-chapter, the theoretical framework of Bourdieu has influenced the questions for the interviewees. In this case, with a distinct focus on capital, field and habitus. Two questions and answers have been chosen and will be outlined in the following.

Q3: If any, have you observed cultural differences between the Chinese customer and its Western counterpart in the fields of consumer behaviour, wine knowledge and others?

The third selected question was a part of the interview guide for Mads in an attempt to gain further knowledge in the cultural differences between the Chinese wine consumer and its Western counterpart. For the interviewee, he has engaged and observed both groups of consumers and therefore might obtain knowledge on any cultural differences.

“I think that it a hard question. We see a distinct difference in understanding or being interested in the wine, its origin and so on. Usually, the Chinese wine consumer show lesser knowledge when it comes to this. They are just as interested in investing in wine, meeting with us and discussing wine, attending wine conferences and so on. But their knowledge in wine is not the same. One difference is that the Chinese wine consumer usually need the wine right now when they ask for it. Maybe for an occasion and drink it ‘immediately’. Meanwhile the Western customer usually purchase a wine as an investment”.

In this a distinct focus on the cultural capital of the individualistic habitus is outlined from Mads. Generally speaking, the Chinese wine customer at Rare Wine has a lesser knowledge about wine. In a Bourdieu related sociological perspective, the nouveaux riches social field of China might be encompassed with lesser cultural capital in form of wine education and intellect within the field and, hereby, less cultural knowledge. As the Chinese imported wine market first began its impressive development in 2005, the reason in lesser cultural capital can be located in less familiarity with the commodity than its Western counterparts. Instead, this enhances the perception that the Chinese luxury wine consumer perceives wine as a commodity for displaying economic capital, power and social status. The ‘quick consumption’ of the purchased wine can be related to China’s gift-giving culture and therefore invests in the wine as gifts for other actors in their social field in order to obtain symbolic value and increased social status. In 2013, China Wine Report reported that, out of 679

‘wealthy Chinese consumers’, 27% of the participants displayed a non-existing cultural knowledge for wine and predominantly bought wine as a gift (Huang 2013).

5.2.1. Questionnaire for understanding Chinese wine consumer behaviour

As mentioned earlier, the definition of the Chinese luxury wine consumer cannot be clarified in a singular description. The field is featured with individualistic preferences, motivational reasons for exclusive wine consumption and different perspectives to wine as a commodity. Furthermore, the definition of ‘luxury’ or ‘exclusive’ is an individualistic clarification which contributes to the difficulty of defining a singular classification. The research will, however, attempt to classify the various characteristics of the Chinese luxury wine consumer. Both the current and the forthcoming luxury wine consumer in China.

In order to obtain further comprehensive knowledge within the field of understanding Chinese luxury wine consumption and consumer behaviour within the field, a questionnaire was created as a social survey tool to acquire important knowledge from the individualistic consumer’s perspective on the matter. Through the analytical survey tools in form of conducted semi-structured interviews and structured questionnaires, primary data was obtained as an extension to the secondary academic data. The applied questionnaire was constructed in collaboration with the chosen theoretical frameworks and the symbolic, hedonic, instrumental and cost value to justify the choice of theories and conceptual framework of value. As the research consists of comprehensive understanding of the Chinese luxury wine consumer through understanding the Chinese luxury consumer as an indicator, the questionnaire consisted of questions regarding both exclusive wine and general luxury consumption. As mentioned earlier, the respondents of the questionnaire consisted of two demographic groups. Five of the respondents consisted of wine consumers with a monthly income exceeding 30,000 yuan which are defined as the luxury wine consumer group or LWC. The other five participants consisted of wine consumers with a stable income without requiring a specific amount. These respondents are defined as the millennial wine consumer group or MWC. The questions are influenced by a hypothesis from the researcher as the choosing of the theoretical framework displays.

5.2.2. Veblen and wine consumer behaviour

In the questionnaire, the two concepts of conspicuous consumption and pecuniary emulation by Thorstein Veblen influenced the questions outlined for the respondents of the survey. Particularly, a distinct focus on the motivational reasons for purchasing exclusive and expensive wine such as the socioeconomic reasons, symbolic meaning and the influence of the society and network of the individual before conducting the purchase influenced the most relevant outlined questions which will be outlined and analysed in this chapter.

Q1: Do you relate socioeconomic relations to purchasing wine?

As a typical Veblen or Veblenian would argue, the purchase of a luxury commodity such as wine is related to socioeconomic relations. Meanwhile the commodity of wine can be related as useful as a beverage, Veblen would argue that it is a non-functional luxury good that does not relate to the real needs of the consumer. Instead, the product displays wealth and income.

In this closed question, the respondents displayed a high awareness to the societal effect for purchasing wine. Eight out of ten regarded socioeconomic relations influence their purchase of exclusive wine. The purchase of a commodity that do not exhibit additional utility or functionality but provides status and socioeconomic position is, according to Veblen, conspicuous consumption. As 80 percent of the respondents argue that the socioeconomic relations to the investment in exclusive wine is related, the researcher can confirm a distinct relation between the purchase of the luxury good and social status. Similar to acquiring a luxury commodity in form of a Rolex watch, the product consists of parallel features as a low-priced or mid-priced watch. However, the display of the Rolex brand exhibits financial capacity and social status despite the functional needs are comparable to its cheaper equals. Through the appliance of Q1, the researcher can argue that the investment in exclusive red wine is adaptable to conspicuous consumption in China. Q1 was elaborated by the influence of Bourdieu and the value-concept which will be outlined later in the analysis.

Similar to the consumption of luxury goods, wine is connected with socioeconomic relations. The high response from the respondents can display a competitive social field in which the commodity provides social status and gained socioeconomic position. Similar to the purchase of a

Chanel handbag, the acquiring and consumption of exclusive wine provides a social status in, what can be argued as, a barbarian society.

Q2: Do you relate wine consumption as a commodity for relating to a specific social class?

Even though Veblen's concept of pecuniary emulation is more relatable to the tendency of a lower-class individual conspicuously consuming and emulating the consumer behaviour of an upper class, the concept can still be related to Chinese luxury wine consumers with a certain focus on the preservation of an individual's position in specific social class. In Veblen's case, the leisure class. For Q2, the awareness was higher than Q1 with nine out of ten acknowledging the relation between exclusive vintage wine and social classes. Beside the questionnaire, brief conversations with the respondents nearly outlined their opinion before collecting their answers. Three of the LWC-respondents were part of the same exclusive social wine association with regular monthly meetings at Beijing wine events. Meanwhile, the last two of the respondents from the group were part of other social wine associations. In terms of the MWC group, two of the respondents had newly become a part of social groups related to wine knowledge and the remaining three were new to the wine culture. Therefore, in relation to the social wine culture network, it can be argued that the respondents' devotion are influenced by their commitment in their respective social wine associations. They all agreed that wine as a commodity should be available for all consumers. However, the consumption of luxurious wines is perceived by 90 percent of the respondents as related to a certain social class – the leisure class. In regard to their respective social classes, it can be argued that the pecuniary emulation can be located in the respective social wine associations of the respondents who acknowledged the question. In it, the individualistic social status within their social class is emulated through the consumption of luxury wine in order to retain and gain respect from the equals of the social wine association. Moreover, a collective need for social status of the specific social wine association can be located in their consumer behaviour. In the strive for increasing collective social status of their gathering, individualistic status can be obtained as being a part of the exclusive group in other social societies. In other words, the consumption of vintage wines and participation of social wine events can enhance by retaining or gaining social status.

As mentioned earlier, luxury consumption provides gained or maintained pecuniary emulation. In this case, however, the LWC class can be considered to be attracted to maintaining their position in a social class through the investment in exclusive wine. For the MWC class, the consumers can be related to pecuniary emulation in which a lower-class in terms of capital and social status emulates the upper-class to improve individualistic self-concept and relation to another social class.

5.2.3. Bourdieu and wine consumer behaviour

Pierre Bourdieu and his three outlined concepts of cultural capital, habitus and social field have had similar influence as Veblen's theoretical framework to the research and the conducted questionnaire. Through the adaption of Bourdieu's concepts, questions were created in order to obtain further knowledge from the respondents within the fields of status consumption and the possibility of societal effect on their consumer behaviour.

Q3: Do you feel a societal pressure to consume ostentatious Western food and drinks such as wine?

For this question, Bourdieu's concepts of habitus and social field impacted the construction of it for the respondents. According to Bourdieu, the individual habitus is shaped by social conditions from the person's class location. In his opinion, the various class differentiation of individuals is the difference in consumers' taste for food, wine, music etc. The consumers diverge with their consumption behaviour, how they consume it and the quality of it. In other words, the idea of distinction between social classes is usually not based on what they consume, but on the way and manner they consume the commodity. In the field of wine, the distinction is straightforward with a dominant difference in e.g. Chilean wine such as Beringer and French wine such as Château Pêtrus in which the latter is predominantly viewed as a more luxurious wine than the Chilean one.

The response of Q3 resulted in six of the respondents acknowledging a societal pressure to consume ostentatious Western food and wine. Five of the respondents were LWC and one respondent from MWC. The 100 percentage of acknowledging the social pressure of consuming ostentatious commodities such as wine can be located in the individuals' respective commitment to social wine associations. The social differentiation of the assessment of wine quality can be outlined the fields of

each individual. In accordance with Bourdieu's concept of habitus, the consumption of e.g. dry wines such as Château Pétrus can provide higher social status as it displays financial capital, experience and better 'taste' within an exclusive social wine association which can be regarded as a competitive social class of leisure. The individual's habitus is generated through a coherent and systematic way to assess the symbolic qualities of the consumed commodity and, hereby, identify the lifestyle of the individual. The habitus' linkage to the social position indicates that actors can infiltrate and influence the consumer's behaviour through scarce observation and evaluation of the individual. In the MWC group, four out of five did not acknowledge any societal pressure to consume ostentatious Western commodities. The outcome can be explained in the respondent's demographic group. As a millennial, the respondents' economic capacity are rather inferior in comparison to the LWC group. Moreover, the MWC group can be defined as newcomers in the wine culture and finds it 'exciting', 'fun' and as a path to social status.

Thorstein Veblen argued that conspicuous consumption partook in barbarian societies as outlined in his theoretical framework. The difference between the LWC and MWC group can be located in whether or not they perceive themselves in barbarian societies. One can argue that the LWC social field has barbarian characteristics to it. Their closed associations consist of individual's with heavy economic capital and competitive actors to influence and regulate the consumer behaviour of the members in order to obtain further social status as individuals and as an association. In other words, an LWC might be more influenced by the social field of the individual to display individualistic habitus through economic capital, 'taste' and knowledge in wine in order to compete with the other actors. In regard to the MWC group, it may be perceived that the 'barbarianism' of their current social field does not have the same influence or capacity as LWC.

5.2.4. The hedonic, symbolic and instrumental value of the wine consumer behaviour

In a further explanation of the motivations for engaging in luxury consumption, the three motivation concepts of hedonic, symbolic and instrumental value have influenced the applied questions for the questionnaire. The three motivational concepts have been practiced in order to obtain further knowledge on the individual wine consumer and the motivational reasons for purchasing luxury wine.

Q4: If any, which motivational reasons do you relate to the price before investing in a wine? Four options: (Prestige), (Exclusivity), (Social value), (Non-important)

Question 4 is influenced with the symbolic motivation for purchasing a luxury commodity as it attempts to obtain further knowledge within the field of dividing consumers in the label of Veblenian, Snob and Bandwagon. As an indicator to exhibit social prestige, the price can be considered an important motivational reason for investing in a commodity. Unlike the former questions, Q5 provides multiple choices in the search for reaching the focal point of differences in the respondents' perspective to price as an indicator for wine consumption. Before the participants answered the question, an in-depth explanation of the four choices was provided as three of the answers give the impression of similarity.

In terms of the answers, four out of five of the LWC respondents answered *Exclusivity* as their motivational reason in relation to price before they invested in wine. The last answered *Prestige*. In the case of LWC, the actors undertakes the role of Snob or Veblenian. For the Snob, the price indicates that exclusivity and uniqueness are the motivational reason in terms of price. The demand for a certain vintage wine is increased as the price indicates exclusivity from others. As a Snob, luxury consumption can divert and reduce the conflict of belonging to an elite group or aristocracy. The single respondent's answer for *Prestige* concludes as a Veblenian in which the price indicates prestige as a tool to display the conspicuous value of the commodity. For the MWC group, all respondents answered both *Social value* and *Prestige* as their motivational reasons in terms of price. In this case, all respondents undertakes the role of Veblenian and Bandwagon and dismisses Snob as an option. Through the Bandwagon role, the respondents are either motivated by conforming their ideal

reference group or differentiate from an undesirable group. Furthermore, the popularity of a commodity will increase for a Bandwagon if it increases publicly in contrast to the Snob. In terms of the MWC respondents' answers, a distinct desire for either group differentiation or affiliation is present as the purchase of wine is related to enhancing individual self-concept whilst obtaining social status. (Vigneron and Johnson 1999)

Q5: Do you perceive wine as a commodity of pleasure or a commodity of practical use?

The fifth question was created in order to obtain knowledge if the respondents regarded the consumption of wine as a commodity of pleasure or of practical use. The consumption of a commodity is driven by either utilitarian or hedonic considerations. In some cases, both. The independent components of commodity evaluations and attitudes towards it assist the consumer to distinguish between acquiring a good encompassing the relative hedonic or utilitarian nature of the individual. Generally speaking, a hedonic commodity provides more experiential consumption such as luxury goods, e.g. acquiring a Rolex watch. Meanwhile, the utilitarian goods primarily consists of instrumental or functional motivations to acquire a commodity, e.g. a winter coat (Dhar and Wertenbroch 2000). The respondents' perspective to wine as either a hedonic or utilitarian commodity provides important information on their consumer behaviour.

In question 6, all the respondents argued that wine as a commodity provides both hedonic and utilitarian motivations as a purchase. In brief conversations, the hedonic motivation is located in the pleasure and taste of drinking an exclusive vintage wine, the symbolic meaning from consuming an expensive wine and the development of individualistic self-concept. As Hirschman and Holbrook defines it, the hedonic consumption provides "multisensory images, fantasies and emotional arousal" (Hirschman and Holbrook 1982). In their research for understanding consumer behaviour, the researchers attempt to obtain further knowledge through the adaptation of hedonic motivation. In multisensory, the personal experiences related to the investment in a commodity is outlined such as touch, smell, taste and the visual display of the purchased good. The inner preferences relates to the hedonic motivation as the intrinsic enjoyment of the commodity outlines the multisensory fantasised aspect to the investment in a product. In relation to wine, the general wine consumer acknowledges

and desires specific wines from a certain region as they can relate fantasised and emotional arousal from a wine related to inner preferences.

Previous literature in Chinese wine consumption can explain the respondents' perspective of wine as a utilitarian commodity. Previous studies from Liu and Murphy (2007) and Zhang et al. (2008) claimed that the health-related attributes of wine affected the Chinese consumers. In their research, the scholars concluded that Chinese wine consumers perceived drinking red wine as healthy compared to traditional Chinese liquor. Red wine contains less alcohol than Chinese liquor and the commodity has health benefits related to gaining a healthy cardiovascular system. Lastly, surveyed women aged in their 50s or above considered red wine as a commodity to look younger. In other words, the consumption of wine related to traditional Chinese liquor is perceived as a healthier choice. (Capitello, et al. 2017, 120). The previous research provides a greater insight to the Chinese wine consumers as the commodity has utilitarian aspects to it. Beside its hedonic factors, the healthy functions of the product influences the general Chinese wine consumption, and, in this case, the chosen respondents as it is perceived as a healthier alcoholic option than traditional Chinese liquor such as baijiu. Additionally, red wine is associated with the core symbolic aspect in Chinese culture; success, fortune and luck. Increasingly, the commodity is appreciated for weddings as presents due to its symbolic meanings and presents a utilitarian function as a gift-giving commodity which is a centralised tradition in Chinese culture. Other than weddings, red wine is likewise favoured in business as it symbolises respect and the promise of a jointly prosperity (Capitello, et al. 2017, 170-171).

5.3. Characteristics of the Chinese luxury consumer

In the following chapter, a description and analyses of the Chinese luxury consumer will be outlined. It is, however, important to notice that a singular portrayal of the segmentation is not possible. Instead, a guideline and understanding of the Chinese luxury consumer will be outlined based on the chosen secondary data and the conducted primary data. In the case of Rare Wine and its portfolio of expensive and exclusive wines, a general understanding of the Chinese luxury consumer is valuable for progressively expanding its revenue on the market. Therefore, the characteristics of the segment group will be outlined and analysed as a guideline to understanding the characteristics of Chinese wine consumption and the consumers of the market.

Despite the fact that the Chinese GDP per capita has doubled its value 8 times since 2000, it is still relatively moderate comparing it to the United States' GDP per capita. According to the International Monetary Fund, IMF, China's GDP per capita will reach \$10,971 in 2020 which will still be less than the equivalent of the United States in 1980 which was \$12,553. By 2020, the United States will achieve a GDP per capita of \$67,082 and will be six times higher than China's equivalent. Despite China's achievement of obtaining the second largest economy in the world, the indifference in GDP per capita is located in the two countries' number of inhabitants with China obtaining more than 4-times the population of the US (MGMRESEARCH 2018). Notwithstanding the Chinese economic miracle for three-four decades and its increasement in GDP per capita, it is not the primary source accounting for the development in China's luxury consumption. Therefore, one might wonder what motivates and hereby characterises the Chinese consumers' motivational reason for purchasing luxury goods. According to previous literature within the field, especially three theoretical perspectives regarding luxury consumption has been explored in order to obtain knowledge within the motivational reasons for Chinese luxury consumption. Hirschman and Holbrook argues for hedonic motivation as a reason for luxury consumption. They refer to sensory benefits in form of visual, taste, smell, texture as motivational factors to consume luxury goods and services. Veblen, among others, argue for symbolic motivation. In it, Veblen and his colleagues argue for the purchase of luxury goods to satisfy one's desire to display the good as a symbol and a communique to social groups and the public in general. Wong and Ahuvia argues for instrumental motivation as a reason for luxury consumption. Perception of quality wherein consumption and obtaining luxury goods are

considered to be of higher intrinsic quality. In other words, the academic endeavour to gain knowledge for understanding luxury consumption is comprehensive.

The Chinese luxury consumer can be characterised as the wealthy consumers and the normalised consumers. The wealthy consumer enjoys an unconcerned relation to finances and enjoys the privilege of purchasing luxury goods as pleased. Through frequently visits to luxury retail stores either physical or e-commerce, the wealthy consumer can purchase the latest and most popular luxury products as pleases. In the words of Deng Xiaoping, this segment group “became rich earlier than the others”. The group primarily consists of consumers in the age of 35-50 and is quite dissimilar to its Western counterparts as this segment group primarily older aged than China’s segment group. Through fortuitous business links, entrepreneurship or merely being at the right place at the right time, this segment group began earning financial independency and increased its luxurious consumption through utilising their financial capacity. Hereby, the group has been the cornerstone of the luxury boom in China as they have bought in large quantities, kept pace with maintained or increased financial capacity as China’s economy grew. According to Sethi, these consumers were primarily driven by status initially. However, some of them have graduated to a higher level of sophistication and enjoys utilising financial capacity to acquire unique experiences. Some have refined a personal taste for specific luxury goods, increased consumption of the product and started collections. E.g. exclusive wine wherein the Chinese culture of gifting has been an important factor which will be elaborated in *Characteristics of the Chinese luxury consumer*. The segment group of the first-generation rich already have children who aspire similar luxurious conditions as their parents. This generation of fù’èrdài (富二代) or second-generation rich, and guan’èrdài (官二代) or offspring of powerful officials displays another segment of luxury buyers in China. Through their parents, these consumers primarily obtain similar conditions as they were born with a silver spoon in their mouth. Thereby, their offspring maintain the luxury consumption of the first-generation and, thus, continue heavy and welcomed consumption through a helping hand. (Sethi, Chinese Consumers 2019, 108-109)

In terms of the ordinary luxury consumer without the financial capacity of its wealthy counterparts, a larger segment group can be explored. In this group, the massive segment of Chinese millennials can be located. According to Goldman Sachs, this segment represents the single most important demographic on the planet today. In size, the group accounts for roughly 415-million consumers and nearly constitutes one-third of China’s total inhabitants. In the urban cities, such as

tier-one and second-tier cities, the segment is predicted to account for more than a third of the population. This group consists of the typical consumer which spends a high percentage of the regular monthly wage to purchase a certain luxury good. In this segment group, the consumer is willing to save a percentage of the monthly wage to ultimately purchase a desired commodity or even complete financial loans as a mean to complete the purchase. Otherwise, Chinese millennials, aged roughly 23-38, are the singular offspring of its parents due to the former one-child policy which influences the financial capacity of the individualistic Chinese millennial consumer. In Chinese culture, the parents provides academic and other opportunities and particularly financial security to their children, as it is considered the offspring's responsibility to support their parents once they retire. As for the parents, they are workers of the Chinese economic boom throughout its development. In other words, they have been working for minimum wages and increasingly obtaining a higher wage as the GDP per capita increased. They are not financially independent; however, they obtain a financial capacity in which a high percentage of it is disposed to their only child and, thus, the Chinese millennial consumer obtains additional financial capacity sourcing from their parents. According to Bain & Co., 57% of Chinese millennials' luxury founding is sourced from their parents and, thus, the primary founding of luxury consumption is located within parents' funds whilst 38% of luxury founding is located in self-made funds. (BEI 2017) (Lannes 2019)

5.3.1. Motivations for characteristically luxury consumption

In order to understand generalised luxury consumption in China, the elements of perceived value from a luxury purchase have to be outlined. To understand Chinese luxury wine consumers, the instrumental, hedonic, cost and symbolic value of the acquisition of an exclusive wine has to be analysed in order to understand the motivational incentive for investing in the luxuriously expensive wine. Through these four key value dimensions, the motivational reasons for a Chinese luxury consumer's purchase of exclusive wine can further analysed and, hereby, obtain further knowledge to understand the consumer. The four value dimensions are analytical tools to understand the individualistic psychological motivations. For the paper, these tools will be operated with the secondary data and the conducted primary data to obtain further knowledge in understanding the Chinese wine consumer.

Symbolic motivation

Within the symbolic motivation for luxury consumption, Thorsten Veblen's theoretical framework is exhibited. In this value dimension, prior literature specifies three sub-dimensions of consumption to comprise the general dimension, namely Veblenian, Bandwagon and Snob. The three sub-dimensions provide different understandings of the symbolic motivation for consumerism and assist in understanding a general segment group and their behaviour when purchasing a good.

Veblenian consumption refers to Thorsten Veblen's concept of conspicuous consumption which is described in the theoretical framework. In his framework, Veblen attempts to provide a comprehensive understanding of social groups. For example, the social group who had obtained relatively new financial capacity, *nouveaux riches*, in nineteenth-century America, acquired the taste of "showing-off". In other words, the social group desired the opportunity of symbolising they were a part of the upper class, or *leisure class* in Veblen's terms, by acquiring leisure class goods to symbolise their new financial capacity. Veblen's example of *nouveaux riches* indicates the act of a Veblenian as the social group purchased luxurious goods with their upper financial capacity to conspicuous showing off. The sub-dimension of snobs acquire luxury goods as a symbolic meaning of uniqueness and exclusivity. The bandwagons purchase luxury, as the name implies, with the intention of being included in social groups and acquire social value and, thus, meet their desire for group affiliation.

One of the considerations to be taken into account in wine luxury consumption is the segmentation of price. As it is with general luxury consumption. Each sub-dimension perceives the price indicator as an important factor. The Veblenian perceives price as prestige. If the product has a high financial value, it automatically provides the ability to exhibit the act of showing off. The snob consumer observes price as exclusivity. For the snob, the acquirement of exclusivity from a luxury purchase is aggregative as they demand uniqueness to satisfy their individualistic needs. Therefore, a snob consumer would favour limited editions as it includes exclusivity and a snob consumer's demand for a product will decrease as the product becomes popularised. However, the snob consumer request some level of popularism as the product needs popularity, uniqueness and the expensive feature. In terms of the bandwagon consumer, the individualistic motivation to be included in certain classes interferes with the consumer's luxury consumption. In order to be involved in a specific social class, a bandwagon consumer experiences the requirement of purchasing certain goods to be included in their ideal group. Moreover, the purchase of a luxury good might differentiate them from former

undesired social class. Unlike its snob counterpart, a bandwagon consumer welcomes popularism of a product and obtains increased demand for a product which is well perceived by others. In reality, the snob and the bandwagon obtain similar purpose for purchase of luxury goods as both sub-dimensions search for enhancing their self-identity despite their different motivations for the product's popularity.

Hedonic motivation

The hedonic consumption of luxury goods is defined by Hirschman and Holbrook as “consumers’ multisensory images, fantasies and emotional arousal in using products”. In other words, the physical sensors of the purchased good such as touch, smell, visual and taste. The emotional arousal these factors create in terms of individualistic preferences. The hedonic consumption relies on inner personal feelings and the pleasure and excitement from purchasing a specific good. In terms of luxury, researches argue that its purpose satisfy the consumer’s hedonic reasons rather than the utilitarian purpose such as necessary goods such as water. The hedonic motivation is related to the consumption of wine, in particular expensive wine. The multisensory factors in collaboration with the emotional arousal creates hedonic satisfaction through the purchase of a specific exclusive wine as price and quality usually combines in winery.

The hedonic consumer can usually be described as inner-personal and role-relaxed consumers with a certain desire for quality rather than social recognition or placing themselves within a certain social class. In regard to the first-generation consumers, the group can be perceived as ‘collectors’ rather than consumers. Since they have developed a taste for wine and are familiar with different regions of wine. In the specific case of luxury wine, the hedonic consumer focuses on the multisensory quality of a vintage wine rather than the cost, popularity or the symbolic meaning of purchasing fine wine.

Instrumental motivation

The instrumental consumption is comparable to its hedonic counterpart. Instrumental or perfectionistic consumption focuses on the consumption for goods related to quality in which the expensive price ensures a quality product and, thus, satisfy the instrumental consumer’s perfectionistic preferences. In other words, the higher the price, the more quality the product will provide. Within this sub-dimension, familiar products related to quality can be located such as Rolex

watches or a Christian Dior dress. Namely, brands that resembles better quality, last longer and is perceived as good value for the price. (Vigneron and Johnson 1999)

5.3.2. Luxury consumption and Chinese culture

When you talk about China, you cannot disregard Chinese culture. It is an inevitable factor in explaining and understanding behaviour in China. Regarding consumption, cultural and circumstantial factors influence the Chinese luxury consumption. Contradicting each other, the old Chinese saying *yi jin huan xiang* (衣锦还乡) meaning *return home in golden robes* outlines the importance of displaying symbols reflecting success. If one has achieved, one must display its achievements to get noticed and applauded. In other words, the symbolic meaning of displaying luxury products should be invested in order to display wealth to achieve social recognition for ones achievements. However, *qiang da chu tou niao* (枪打出头鸟) meaning *the bird who sticks out his head gets shot* suggest one must not draw undue attention on oneself through consumption and conspicuous behaviour. However, despite the two contradictory sayings, one could argue that 衣锦还乡 has determined Chinese luxury consumption given the success of luxury sales in China (Sethi, Chinese Consumers 2019, 109-110).

In history genetic, luxury consumption can be elaborated through ancient dynasties of China. In terms of symbolic meaning, displaying wealth through luxurious goods can be traced back to Hui and Jin merchants. Their display of luxury symbolised ostentatious and extravagancy and placed individuals in social elite classes of the high society. Meanwhile, in the Jin and Han dynasties, the display of luxury goods was perceived as a meaning of status symbol and demonstrate wealth. In other words, characteristics of modern Chinese luxury consumption may be influenced by historical factors as consumers have obliged a similar desire to display wealth through luxury goods to place themselves in social classes and display financial capacity (Vickers and Renand 2003). Similar situation to Thorstein Veblen's concept of conspicuous consumption. The historic cultural effect of wearing and consuming luxury goods to display upper-class can be related to the modern society in an attempt to pecuniary emulate emperors from the period.

Traditional Chinese beliefs such as Confucianism may influence Chinese luxury consumption. Confucius stressed the importance of conformism, order and respect to status. Within rules, the Chinese will usually follow and live according to the ruleset. E.g. historically by serving for the

emperor through imperial examinations and, hereby, wear hierarchical symbolic clothes to display ones achievement and social class. In modern times, the emperor has been displayed by the Chinese Communist Party and still serves as an opportunity for displaying social class. Beside symbolic meaning through politics, the – somewhat feared – college or job entrances, obtaining these displays an individualistic climb up the ladder of success as the academic success can be displayed through luxury products as certain markers and indicators of success. Thereby, one could argue that purchasing luxury is not a wanton display of wealth but conformist rituals of individualistic progress in a performance-based society (Sethi, Chinese Consumers 2019, 111).

5.3.3. Understanding the Chinese luxury consumer

In accordance with China's shift in economic model, Chinese consumerism has experienced an explosive increase for the past years. The Chinese government's efforts to keep an increased general consumer spending through e.g. new tariff policies has contributed to this growth and leading brands' strategies to monitor price differences with overseas markets. Chinese consumers remains a top priority for luxury brands as China remains the industry's most-spending nation in purchase of luxuries. The Chinese represents an estimated 30 percent of luxury spending, and therefore the country's consumers are a priority for luxury brands.

New consumers – particularly Millennials (aged 20-34) – were the driving force to the growth of the luxury market. Through their conducted survey, consumers display an earlier and more frequent desire to purchase luxury goods than before. They are digitally savvy, knowledgeable about luxury categories and favours designer brands and start buying luxury goods at a young age with relatively high frequency which collaborates with the Chinese individual's desire to express their individualism through distinctive looks (Bain & Company 2017). In accordance with Chinese Millennials' increased economic power, luxury brands reposition themselves as Bruno Lannes, partner in Bain's Greater China, argues: "Chinese Millennials helped accelerate luxury spending (..) In response, we're seeing luxury brands repositioning themselves to better reach this influential demographic group, particularly through digital media that we know play an influential role in shaping younger consumers' opinions about luxury and fashion". Moreover, Lannes added that luxury brands recognise Chinese consumers' increasing influence on the luxury market as they represent 32% of the global luxury consumption. Therefore, foreign luxury brands acknowledges this development and engages in

qualitative editorial authority in China through social media to interact with Chinese Millennials. (Bain & Company 2018)

The motivations for purchasing luxury products are rooted in cultural traditions of countries and, as mentioned, different markets and segments have diverse motivations, attitudes and buying behaviours. Therefore, Dubois, Czellar and Laurent outlined three dimensions, elitist, democratic and distant, as guidelines to examine the behaviour of consumers' attitude towards the benefits of purchasing luxury goods from a dissimilar market with a different historical context and cultural conventions. (Ng 2017, 173)

As China gradually has been globalised, the Westernisation of the country has increasingly taken affect. As Veblen argues, the barbarian society is a specific version of distinction between classes with dissimilar perceptions from each class. In a modern perspective, the Western culture would classify as a barbarian society. Moreover, in terms of China and its current consumerism, one could argue that through the Western effect on China in terms on consumer behaviour, the Middle Kingdom is gradually evolving into a barbarian society with an immense distinction between China's inferior class and leisure class. China's society is collective through its ideology of socialism; however, the purchase of luxury brands can bring face to the consumer, show their position and prestige, and symbolise their economic power. Thus, display their individualism through aesthetic values and achievement vanity, in order words functional, hedonic and symbolic values of the brand and product. Chinese consumers pay close attention to the social meanings of their purchased products and, through this, the consumer is particularly affected by normative influence from opinion leaders (KOLs) and aspiration groups. Moreover, the type of purchased brand enable Chinese consumers to signal affiliation with social collectivises and, thereby, convey a desired social identity as they favour consistent brands who portrays a specific social identity (Bartikowski and Cleveland 2017).

Thereby, the Chinese luxury consumer and Veblen's theory is coherent. China's culture has and still is progressively developing a barbarian culture. The social classes in China generally display a barbarian society with a massive difference between the inferior class and the leisure class. Moreover, the social individualism portrays a barbarian culture in the leisure class as it is gradually developing into a necessity in the economic strong class which can be located in China's luxury consumption. The luxury market, in where the Chinese consumer accounts for one-third of the market, is a progressive form of conspicuous consumption and pecuniary emulation to publicly display the

individual's economic power and, hereby, demonstrate his or her higher class of leisure. In terms of Veblen's pecuniary emulation in which more is better, the continuing development of China's consumption of luxury goods displays a desire for accumulation to portray economic wealth and thus achieve honour in a barbarian society, as Veblen labels it. Moreover, China's lower-class has developed in decades to the new middle-class, a so-called barbarian tribal society according to Veblen.

The new economic strong class wants to attain, retain and gain greater social status within their social class by emulating the respected leisure class through consuming luxury brands and, thus, achieve a higher social class through individualism, according to pecuniary emulation.

6. Reflection and discussion

Reflection consist on an analytical process in which the researcher describes or reflects on other path for the chosen research than the applied one. Such as other methods, theories and collection of empirical data. In the reflection, a brief revisit to details in the paper to examine the positive aspects and the negative aspects of the research will be outlined.

For the research, the purpose was to gain further knowledge in understanding Chinese luxury wine consumer behaviour in collaboration with the chosen case study from Denmark, Rare Wine. In the choice of method, the researcher applied two research methods to obtain knowledge from a professional and academic perspective as well as the consumers' perspective. In relation to the adapted methods for primary data, the choice of applying both methods was the right choice as they both provided inevitable information for the development of the analysis and the paper. However, the methods could have more respondents than the chosen ones. For the interview, a third participant within the field of the Chinese wine market, e.g. a representative for a foreign producer of wine or a foreign distributor based in China would have been useful for the research. For the questionnaire, the number of respondents was usable for the study as the findings could be justified through secondary data. The survey could, however, be more justifiable with a larger number of participants to gain a wider perspective than the ten participants defined by two groups. Though it is important to notice that the respondents were carefully chosen by the researcher to be within a certain demographic group and the appliance of e.g. internet survey could result in an untrustworthy questionnaire.

In the researcher's opinion, the application of Thorstein Veblen and Pierre Bourdieu as the theoretical framework was a correct choice. As the master's programme is China and International Relations, the writer had to adapt social science theories to the research since 'normal' applied theories from the school of International Relations such as Realism were not adaptable to the chosen research. In order to comprehend consumer behaviour, psychological theories would be preferable in order to understand the inner thoughts of the consumers. However, the researcher agreed with his supervisors that physiological theories would be too distanced from the master's programme. Therefore, social science theories were, in the researcher's opinion, the correct applied type of theories as explanatory tools to understand Chinese luxury wine consumer behaviour.

In regard to the analysis of the paper, the researcher attempted to apply the chosen theories and the individual concepts to the empirical data. In some cases, one could argue that the applied theories did not create a satisfying view in which physiological theories could have created further knowledge for the analysis and the defining analysis and other concepts such as materialism, collectivism etc. could have been adopted. In general, however, the applied theories and concepts did create a satisfying analysis of the primary data and the secondary data of the research.

7. Conclusion

In the purpose of answering the conducted problem formulation and related research questions, the researcher has throughout the study obtained greater and more comprehensive knowledge within the field of the Chinese luxury wine market, the difference in Chinese demographic groups and its potential, the perception of wine as a commodity in China and its development on the 'emerging' market and Chinese consumer behaviour in the field of exclusive wine. The satisfying gained knowledge within these fields can be comprised into a sufficient answer for the outlined problem formulation.

Throughout the background information and analysis of Chinese luxury consumption behaviour, a consistent commoner has been the desire for individualistic self-concept for the Chinese consumer. One could argue that China has or is developing a barbarian society like Veblen's example of the United States, as China is a *nouveaux riches* country. Despite the individual income is rather low, the desire for luxury goods increases as China currently occupies one-third of the total luxury market

share. When it comes to wine, the relation is similar but it's slow. The first-generation riches are adapted to the market, intrigued by wine as a commodity and the benefits from consuming the product. As it is noticeable from the analysed questionnaires, the increasement of the individual self-concept is a part of exclusive wine consumption. For both groups. In this case, it can be concluded that the development of self-perception in a social field is active in the Chinese wine culture and its consumers.

The perception of wine as a commodity by the Chinese wine consumers is influenced by different variables. In general, both demographic groups perceives red wine as a healthier option to Chinese traditional liquor such as baijiu and it symbols luck, happiness and prosperity with its red colour in Chinese culture and, hereby, features habitus and utilitarian. However, MWC regards the commodity as exciting, new and social and perceives the product as a tool of social status. In return, the LWC perceives wine as a social status commodity to either maintain or gain social class. The investment in wine displays economic capital, social capital and culture capital. As the researcher perceives China as a developing barbarian society, these features of capital exhibit a barbaric social culture in the social class of LWC.

Through this analysis of Chinese luxury wine consumption behaviour an understanding of the wine culture in China was gained. Despite the continuant focus on enhancing individualistic self-perception, the LWC consumer focused on the habitus concept in its consumer behaviour. Wine is not predominantly perceived as an investment; it has multisensory features to it such as the first-generation consumers and their collective behaviour. In its symbolic meaning, one can perspective the current modern society to the old Chinese society in form of the dynasties. In that time, the emperor would cloth and eat 'luxurious' as a display to upper-class. The current desire for social class development can have traditional Chinese culture features to it as the consumer strives for enhanced self-perception and symbolic status.

The understanding of the Chinese luxury wine consumer behaviour can benefit the Danish wine merchant of Rare Wine in the company's pursuit for reaching the Chinese end-consumer. From the outlined analytical material, a theoretical understanding of the Chinese consumer behaviour has been described and explained. Despite its focus on social science, the research contributes to understanding the motivational factors for the Chinese consumer to invest in wine. Furthermore, Justin Cohen's analysed contribution to the research can provide important knowledge to understanding and reaching the consumer. In general, the consumer is still relatively new despite its emerging phase for nearly

20 years. The development of wine as a commodity has not increased similar to other luxury items, however, the growth is progressing slowly as China consumes more exclusive wine.

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Appendix 1

The interview guide's list of questions include:

Rare Wine – Mads:

- Present a brief presentation of the company (Predominant for Rare Wine)
 - How differs Rare Wine from its competitors?
 - What are the core values of Rare Wine?
- Who are Rare Wine's customers?
 - Business-to-Business (B2B)
 - Business-to-Consumers (B2C)
 - What is the company's general strategy to reach new customers?
- The company's reasons behind its decision to enter and expand its position on the Chinese market?
- General impression of the Chinese wine market.
 - Challenges and opportunities.
 - How do you portray the future of the Chinese winery market?
- How do you portray the Chinese winery consumer?
 - How has Rare Wine obtained its current Chinese customers?
 - What are the cultural differences regarding wine consuming in China compared to the West?
- How do you portray the Chinese winery consumer?
 - What do you see the Chinese consumers' preferences is regarding wine?
 - Generally speaking, which price class is typical for Rare Wine's current Chinese customers?
 - Which type of alcoholic beverage? Red wine, white wine, whiskey, champagne. Also, brand of win.
 - If any, have you observed any cultural differences between the Chinese customer and its Western counterpart?
 - How has Rare Wine obtained its current Chinese customers?
- Which barriers has Rare Wine experienced with its adventure in China?
 - If any, how has Rare Wine overcome these barriers?

- Are there any current barriers that Rare Wine perceives as difficult in order to expand its position on the Chinese market?
- How is Rare Wine's position on the Chinese market currently developing?

Justin Cohen:

- Please provide a brief introduction to yourself.
- General impression of the current Chinese wine market
 - How do you portray the future of the Chinese wine market?
 - Which factors do you regard as influential for the Chinese market and its development?
 - How do you portray the Chinese luxury winery market and its development in terms of consumption?
- General impression of the Chinese winery consumer
 - What do you see the Chinese luxury consumers' preferences is regarding wine?
 - Price, status, favourable wines (country of origin) etc.
 - How has the Chinese wine preferences changed?
 - In terms of your established twice-yearly survey, how do you portray the Chinese wine consumers' motivational reasons for consuming red wine?
 - In your opinion, how does the Chinese consumer differentiate from a Western consumer in terms of preferences, culture, marketing, consumer behaviour etc.
- Which barriers do you portray as inevitable for the Chinese market?
 - In terms of SME's, which barriers do you perceive as inevitable in terms of entry and expansion on the Chinese market?
- In terms of marketing, which tools would be usable to attract the Chinese luxury consumer?
 - Which factors are important to understand before approaching a consumer?
 - In terms of SME's, how can a company create a comprehensive route-to-market strategy?

Appendix 2

Questionnaires

Name:

Age:

Occupation:

Monthly salary:

How long have you been interested in wine:

Q1: Do you relate socioeconomic relations to purchasing wine?

MWC: 4/5

LWC: 4/5

Q2: Do you relate wine consumption as a commodity for relating to a specific social class?

MWC: 4/5

LWC: 5/5

Q3: Do you feel a societal need to consume ostentatious Western food and drinks such as wine?

MWC: 1/5

LWC: 5/5

Q4: If any, which motivational reasons do you relate to the price before investing in a wine? Four options: (Prestige), (Exclusivity), (Social Value), (Non-important)

MWC: Social Value (5/5) and Prestige (5/5)

LWC: Exclusivity (5/5) and Prestige (1/5)

Q5: Do you perceive wine as a commodity of pleasure or a commodity of practical use?

MWC: Both (5/5)

LWC: Both (5/5)

