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Generational Cohort Differences in Consumer-Brand Relationships of Chinese Consumers

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Abstract

Our 'multi-informant network' study of three generations in China enables us to uncover the nuances of consumer-consumer (C-C) relationships (familial, friendship and business relationships) and explain how consumers of different generations build consumer-brand relationships (C-BRs) with respect to products such as cosmetics, skincare and perfume. We also reveal how the C-BRs of one generation influence the C-BRs of other generations. While the life experiences of the three generations represented amongst our informants are similar to those identified by Hung, Gu and Yim (2007), there are noted differences, particularly with respect to more subtle aspects of consumption and brand buying behaviour.

Keywords: Consumer-brand relationships, generational cohorts, multi-informant networks, Chinese consumers

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Introduction

Chinese consumers have experienced many remarkable social and institutional changes in the past 50 years. Different generations of consumers have had to contend with quite different social and institutional changes, resulting in distinctive life experiences. For instance, Hung, Gu and Yim (2007) identify three generational cohorts of consumers, born of three distinctive periods: 1) Red Guards (associated with the Cultural Revolution), 2) Modern Realists (whose experiences were shaped by the period of Economic Reform) and 3) Global Materialists (who have witnessed Globalization). In their paper, they create a typology for consumer segmentation of Chinese markets based on the different social and institutional forces and offer general observations about consumer values, attitudes and consumption behaviour (such as preferences for local and foreign brands). This raises a question based on Fournier's (1998) consumer-brand relationship framework: How would consumer-brand relationships (C-BR) be affected as consumers of different generational cohorts socialize with their social networks and influence each other's C-BRs with the brands they know and use? Studying these three previously-identified generational cohorts in China using a 'multi-informant network' method gives us the opportunity to address this question in-depth.

Our paper builds on the study of Hung *et al.* (2007) by further exploring how consumer to consumer (C-C) relationships (familial, friendship and business relationships) influence the brand consumption behaviour of each generational cohort of Chinese consumer. In contrast to Hung *et al.* who conducted a survey amongst individual informants, we gained further insight by interviewing key informants and a sample of individuals from their social networks – resulting in a 'multi- informant network'. Qualitative research is used here, involving in-depth semi-structured interviews to collect data from each key informant and six of her network members. After presenting the method, aspects of the Hung *et al.* cohorts are described. We then focus on four of our cases that show how cohort C-C impacts on C-BR.

Method

This research uses a qualitative research approach and a semi-structured interview method. The fieldwork was conducted in Xi'an, a second-tier city in Central China. China was chosen as the context as Chinese consumers have in the past 50 years undergone great social and institutional change (Zhou & Belk, 2004; Garner, 2005), and these changes continue into the present (Ewing, Windisch & Zeigler, 2010; Uncles, 2010). A purposive sampling approach was used – selecting across two types of urban residents (local and internal migrants) and three age groups: Red Guards; Modern Realist and Global Materialist. Four female key informants (KIs) in each age group were interviewed, giving a total of 12 KIs. These KIs were asked to recall occasions where their brand choices had been influenced by their social network or where they had influenced the brand choices of those in their social network. This process was repeated with six KI-nominated network members with the focus on how they had been influenced by, or had influenced the key informant. All KIs were female, whereas network members could be male or female. Each KI and her six network members were treated as one unit of analysis (Cresswell, 2007).

Under the guidance of the resident researcher, two local research assistants conducted the interviews since the informants spoke mostly local dialects. The interviewer used prepared images of local and foreign brands to probe the informants when they were lost for words (Zaltman & Coulter, 1995; Zaltman & Zaltman, 2008). Field notes recording observations and commentaries were taken throughout (Van Maanen, 1988). The resident researcher acted as a devil's advocate to ensure the questions asked were in line with the research objectives. Transcriptions were done initially by local dialect speakers and then translated by two translators into both Mandarin and English. Crosschecks for meaning in the transcripts were conducted with the local research assistants to avoid any loss in meaning as expressed in the original interviews (Malholtra et al., 1996).

Tabulations by unit of analysis were conducted, listing all the incidents that represented relevant themes (Spiggle, 1994). There was back and forth iteration throughout the data analysis process to make sure all potentially fruitful comparisons of incidents were covered. Emerging themes such as gift giving, personal factors like skin type, C-CRs were chronicled. Any occurrence of social network influence for each generational cohort's C-BR was noted, analysed and interpreted. All informants are given code names (e.g., Mimi, Lili, Nana), enabling us to personalise the interpretations without compromising the confidentiality of KIs and their networks.

Generational Cohorts in China and Consumer Behaviour

A particularly thorough analysis of generational cohorts is that undertaken by Hung *et al.* (2007). They identified three generational-cohorts: Red Guards (RG); Modern Realists (MR) and Global Materialists (GM). RGs were born during the Cultural Revolution era – a period when China was closed to the rest of the world with limited commercial activity. The prevailing ideology was socialist/Maoist, with strong bonding among peers. It is claimed that RGs see shopping as a burden. By contrast, MRs, born during the period of Economic Reform, were "encouraged by the government to pursue a relatively comfortable life" (Hung *et al.*, p 839). They accumulated personal wealth as many took advantage of institutional changes and benefited from new-found commercial freedoms, especially in the special economic development zones. For MRs, shopping is seen in part as a leisure activity. The third cohort is the GMs who were born during the Globalization period. They experienced the global consumer culture with increased exposure to multi-national companies and foreign brands. For these young consumers, it is claimed that shopping is seen as a self-expressive, self-defining leisure pursuit.

Generational Cohorts: Life Experiences and Brand Behaviour

In this section, we consider the life experiences and brand behaviour of informants, set against the backdrop of generation cohorts. Next, we relate these findings to specific observations made by Hung *et al.* (2007). Our RGs fondly talk about the strong bonding they have with each other. Now with their kids all grown up, their goal is to find ways to enjoy life with their friends, for example, by visiting a beauty salon together. One RG (Qingqing) comments that she "just Qin this [facial treatment] alone and wants to share it with my friends, let them enjoy it too."

All our cohorts place great emphasis on skin care as compared to using perfumes and cosmetics, owing to the "dry weather condition[s]" in Xi'an. They influence one another in terms of the need to use skincare products. For example - to look younger as "you can judge a

woman's age from her skin". They describe buying foreign brands such as Estee Lauder, Clinique, Elizabeth Arden, Lancome and Chanel as gifts or for their own consumption while travelling for personal or business trips. Mimi (RG) reports that her friends are "overjoyed" when they receive skincare products from her (overseas trips) as they are "not interested in anything except skincare products".

Many of our informants distrust small shops for fear of "getting counterfeit skin care products [brands]" and prefer to shop in big malls unless there are cross-referrals for a particular trusted supplier. Lili, a GM, says, "the people around me [colleagues and friends] are buying from this [PuGongYing franchise] shop. They are genuine products." This is in line with the investigations of counterfeits in other emergent economies (Commuri, 2009). However, there are differences in opinion among the different generational cohorts when buying from online stores or bricks & mortar shops. Our GMs are attracted to the wide array of "new and cheaper" foreign skincare brands and products online. They buy brands such as Body Shop and Annunciation which are not readily available in China. However, most of our MRs and RGs "don't trust" online buying. They express fear of "being cheated" by online retailers and prefer the bricks & mortar shop where they can "try" the products. However, under the influence of GMs, MRs can be persuaded to buy online. In our conversation with Nana's (GM) network – her sister (MR) expresses a desire to buy online as Nana tells her that buying skincare products online "is better and cheaper" and relatively easy. She shares in the interview that she "always wants to buy online but doesn't know how it works and thus gives up". Besides, she is "too afraid to buy [for fear of getting poor quality products]".

As for brand exposure, our informants reported gathering brand information through the internet, online-forums, word-of-mouth, print and TV media. Our GM and MR informants talk freely about foreign brands: Body Shop, Estee Lauder and Christian Dior. However, our RGs do not care much about the brands they use. Some do not even seem to know or remember the brand names or they can list names but have only a vague understanding of whether the brand is local or foreign. One RG says, "I saw those Chinese characters (for L'Oreal) and thought it was made in China". This is consistent with the quantitative analyses undertaken in China (Huang *et al.*, 2007). While some use local brands, RG informants also use middle-high end brands: Elizabeth Arden, Chanel, H2O, Gucci and SKII. Some RGs started using skincare products only recently while others are not interested in using skincare products since they "are of [an old] age". With regard to pursuing new novelty brands, it is not limited to GMs and MRs. RGs are keen to try new (novelty) brands too. One RG (Xiaoyan) says, "Since there are new products [brands] being released, I just want to try them."

In summary, all cohorts are careful about buying from small shops unless recommended by their networks. RGs may be traditional and use mainly local brands but they can be influenced by their social networks to use novelty products and foreign brands too. MRs and GMs are quite similar in the use of novelty products and foreign brands but our RGs and MRs prefer the bricks & mortar shops over online buying. However, under the influence of GMs, MRs can be influenced to shop online.

Generational Cohorts: Comparison with Hung et al.'s Observations

Hung *et al.*'s (2007) findings show that there are generational differences in the values and attitudes of different cohorts. RGs are more pessimistic than the GMs, though not with MRs. In addition, RGs are more likely to view shopping as a burden unlike GMs who view

shopping as a leisure activity. As for product usage, RGs are more likely to go for traditional products unlike GMs and MRs who tend to go for novelty products.

From our findings, there are generational cohort differences in brand buying behaviour. While the life experiences of our informants may seem to fit the broad cohort descriptions of Hung *et al.* (2007), upon closer examination, our findings highlight some exceptions. For instance, the brand buying behaviour of our key informants changes when they interact with their social networks. As demonstrated in Yanning's (GM) case, under her influence, her mum's brand portfolio is upgraded from local mass brands to middle-high end brands. This explains why, under the influence of social networks, RGs can be using foreign and middle-high end brands, in contrast to Hung *et al.*'s analysis (see their Table 1, p 841).

In addition, consumers may buy particular brands to give them away to social network members; that is, for non-personal consumption. For example, GeYan (a MR key informant) prefers to consume middle-high end brands such as Lancome. However, she buys Amway products for four of her network members. Clearly, brand consumption is not limited to using and possessing, it includes collecting and disposing of brands too (Belk, 2004; Wang, Razzaque & Keng, 2007). Hung *et al.* (2007) measure only the product usage and personal consumption of their three generational cohorts. Therefore, the inclusion of each KI's social influence network in this paper adds a more nuanced understanding to the brand consumption process of a consumer which also has implications for C-BRs.

Implications for Consumer-Brand Relationships

Our KIs share that they buy brands not only for their personal consumption but for other reasons such as: 1) to promote or enhance consumer-consumer relationships (familial relationships and business relationships); and 2) gift giving, for special occasions such as birthdays, out of friendship or to strengthen business/social ties. Following are further behaviours that reflect how social networks impact C-CR and how this in turn influences the C-BRs of our generational cohort informants.

Familial Relationships
One GM key informant, Yanning, buys the Elizabeth Arden brand for her mum (RG) to use although she "can't bear to spend this [money for Elizabeth Arden products]" on herself. Her mum reciprocates her daughter's love by purposefully using the products. She emotionally tells us, "this [Elizabeth Arden skincare product] represents her heart for me…I need to use it all". Her mum's relationship with this brand deepens overtime; she "cannot go without it".

Familial obligation is also reflected by one of our RGs, Xiaopei, who purchases and consumes the Plantchan brand because her niece stocks this brand in her beauty salon. This RG specifically says that she chooses to visit her niece's salon and not others. Her words reflect her strong obligation to this relative - she just "wants to bring more customers to her and help her have a better life." Since she plans to spend the money, "why not spend it on her?" It seems that in this case, this RG's relationship with Plantchan will carry on as long as her relative is running the salon business.

Friendship

GeYan (MR) also loves to buy skincare products for her friends and sister as she wants them to look beautiful too. In fact, her older sister comments that "after she has given me all those good ones [brands of skincare products], I can no longer use those cheaper ones." This shows that brands purchased to give away to others, can influence another consumer's relationship with those brands. In addition, this case is another instance of the importance of gift-giving – here the gift giving helps to solidify a friendship and share the perceived benefits with others.

Business Relationships

Our informants (mainly our RGs and MRs) also use gift giving as a tool to build/enhance their consumer-consumer relationships in a business context. As a result, the C-BRs for the given brand may be initiated, reinforced or terminated. For instance, Mimi (RG) buys from anyone who promotes a brand to her as she deems this person (stranger/acquaintance/client) can potentially build her business contacts. She believes in reciprocation and exchange which she claims is the "reason that she is doing increasingly better" in her insurance business. As a result, she claims to use a wide array of brands – from local mass brands (Dabao) to high-end foreign brands (Chanel, Gucci and SKII). She mentions that if "left alone", she will use only the Dabao brand. As for GeYan (MR), she shared with us that if she wants to "build closer relationships with other females of her age group" in a business context, she would "normally give them well known brands such as L'Oreal which is well recognized by everyone in China". These examples again exemplify the influence of the social network on Consumer-Brand Relationship.

Conclusion

Our study is an extension of the work by Hung *et al.* (2007) whose research focuses on the values and attitudes of different generational cohorts of Chinese consumers. It offers deeper insights into a consumer's C-CRs and, in turn, how social network relationships affect her and others' consumer-brand relationships. We extend the concept of consumer's brand consumption beyond just use, to include gift giving or receiving from others.

Our informants' life experiences are similar to the respondents in Hung *et al.*'s (2007) research and this suggests the earlier research is a useful starting point for an investigation of cohort segmentation in the Chinese context. However, while the assumption of the cohorts' consumption may give a broad idea about the brand preferences of consumers, this does not necessarily match the actual behaviour of consumers. By contrast, our study offers in-depth insights into the brand choices of consumers to reveal differences across and within generational cohorts because of the way KIs interact with their social networks – reflecting stable or shifting C-BRs. For example, by showing how older (RG) consumers may overcome the sense of attachment and declining innovativeness that has been described in the literature (Laurent and Lambert-Pandraud, 2010). There are broader implications here; a focus on the role of generation-based social networks may help to extend consumer-brand relationship theory (e.g., extending Fournier, 2009). Therefore, we propose that an individual consumer's behaviour is continually influenced by, and influences others, in their social networks. The nature of consumer-consumer relationships will impact on a consumer's brand choices, consumption and consumer-brand relationships, highlighting the need for studies that include 'multi-informant networks'.

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