Foreign brand image, culture, customer loyalty: A study on Chinese young customers

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Abstract

Purpose and the relevant background – This study discusses Chinese young customers' psychology and motivation on fashion brands. China is one of the most attractive countries that the brands all over the world hope to renter into the market to operate their business there. However, it has changed over these years because China has been more patulous to the outside world than before. As well the views of Chinese are not circumscribed at all. Especially, the young generation could be the first customers to visit the brands and stores, as they are outgoing and susceptive. Due to they have accepted the information and news from different ways which are more than their parents received. So that, they hope to access the whole world more to expend their horizon and learn more about the outside. Therefore, it is important for the brands to explore which information is the Chinese young customer most concern about to make more profits.

Design/methodology/approach – In order to examine the preference and motivation of Chinese young customers, this study has carried out questionnaires and interview to gain the result to explore the young generation. Which can provide the main ideas to the fashion brand managers, to consider of whether they should take the most suitable action to appeal the young customers and make changes to meet their requirement to become better.

Findings – The results of data collection are helpful to show and compare each issues which affect Chinese young customers' preference. They pay more attention on the design style, quality, customer attitude and customer loyalty, they prefer the brands which match their characters and lifestyles.

Practical implications – To summarize the situation of the whole Chinese fashion industry. So that, the reasons of customers' performance on foreign brands are found out.

Originality/value – It is important to provide the first evidence to compare each results and different issues that lead to their customer loyalty. Also, the result of this study could be an example for further research of the relationship between customers and brands in fashion market currently.

Paper Type

Research paper.

1. Introduction

A brand, native to one country or society, needs to establish itself with consumers all over the world. So a successful brand is then defined as one that is attractive and desired both in its original culture. as well as in other cultures. It does so by exhibiting a comprehensive understanding of global trends and consumer habits and of different economic conditions, so it can reset its positioning to meet different customers' needs. Since the late twentieth century many brands have emerged from different countries to become one with the whole global culture.

To most fashion retailers, Chinese customers are their most valuable customers (The Economist, 2014b). Even through the market getting harder than a few years before, there are still fabulous needs in China for luxury and fashion products (The Economic, 2013). Chinese customers have their own interpretation of fashion (The Economic, 2014a). So that fashion managers need to learn more about their motivation for the reason why they choose one as their favourite. Figure 1 shows the retail sales in China from 2010 to 2016 early and the growth of total sales of consumer good, we can found that the total of retail sales has increased a lot in China, but the growth has been decreased within recent years. As a result, to evaluate the customers in China would be helpful for the luxury and fashion brands managers, who would like to occupy parts of Chinese market.
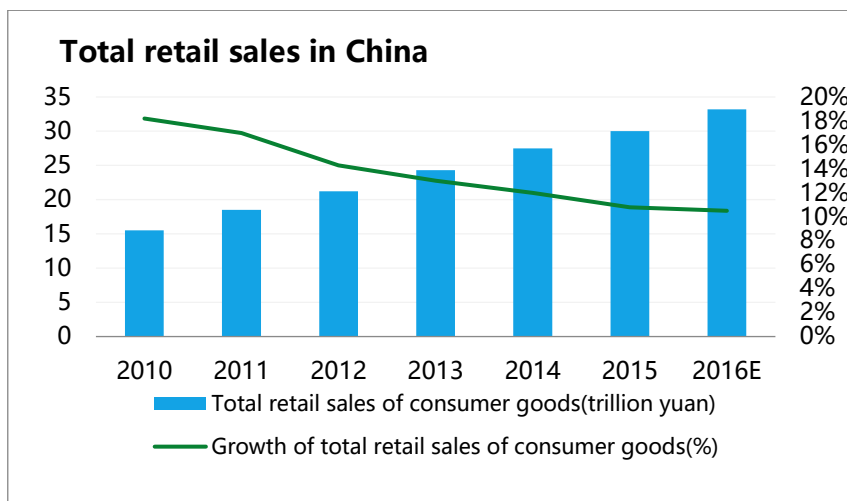

Figure 1.Total retail sales in China (2010-2016E).
(Source: National Bureau of Statistics, China Electronic Commerce Research Center, Deloitte analysis)

Beijing and Shanghai are two mega-cities in China which offer high potential employment and dynamic career opportunities to young people. It is important therefore that brand management in the fashion industry, both Chinese and foreign, learn and understand more about

today's Chinese fashion consumers to adjust their marketing to meet the demands and dreams of the new generation. In Beijing and Shanghai, the purchasing power of young Chinese customers is clearly concentrated and most of these young consumers pursue fashion brands, and want advance information about what is new and trendy in global brands. Ngai and Cho (2012) provided research evidence that indicated that fashion market sales in China have represented a 30 per cent share of the global market during recent years, and is forecast to increase to 44 percent by 2020. The young Chinese customer, especially, goes after both luxury and high street fashion brands.

The research aims to examine the motivations and buying habits of young Chinese customers in the age group 18–40. Much of this is down to the one-child policy which means most Chinese families only can have a single child. This young generation is totally different from their parents. This is not only because their body and mind is younger, but unlike the older generations, they are eagerly interested in and keen to access what the whole world can offer (O'Cass and Siahtiri, 2014). Most of this age group have had access to higher level education, and they tend to be highly receptive to information about anything new. In their childhood they would have been influenced by cultural products that came from other countries, such as shown in Japanese magazines and cartoons, by Korean pop stars and music, or in Hollywood movie stories from America (Ngai and Cho, 2012). These different cultural influences have been around this young generation since they were children, they have also taken from these external cultural experiences, ideas of how to dress themselves up. In addition, they have excellent opportunities to earn money themselves. They tend to be ambitious, aim for career progress, and make a religion of being up to date. This young generation plays a key role in pointing customers towards those brands from other countries.

In conclusion, it is necessary to analyse the attitudes and behaviours of young customers which will disclose their preferences and concerns. As a result, the four foreign brands are confirmed as which is called Guess(US), Stylenanda(Korea), Maje(France) and New look(UK). These four brands which are developed well in China recently. Especially, two Chinese local brands are added into the study, which are called Peacebird and MO&Co. These local brands can play a role of comparing to show people's psychology and motivation. This analysis will not just compare different brands and cultures with local brands, but will also focus on what needs to be done to promote the development of brands and the effect such efforts may have.

2.   Literature review and hypothesis

Brands are a sort of language (Meenaghan, 1995). The brands people choose reflect their personalities, tastes and attitudes. As brands have become entrenched in society, more consumers become both positively and negatively brand aware. This research will examine six

brands from different countries and the associations such elements as brand image, customer attitude and customer loyalty have for young Chinese customers.

Brand image is treated as an important factor in marketing. Brand images can be considered as the perceptions and beliefs that customers hold about brands (Lee *et al.,* 2000; Müge Arslan and Korkut Altuna, 2010). For example, customers can be interested in the manufacturer or supplier itself, the benefits as well as the technological leadership. Koubaa (2008) suggested brand image can lead customers to gain an emotional attachment to a brand.

The culture of any country is a unique treasure that a brand can associate with. The culture of origin could be expressed as a stereotype that customers believe applies to a specific country. The consumer image is acquired from an amalgam of product use, perceptions of the national economy and political background of that country, and its history and traditions (Guercini and Ranfagni, 2013).

Customers can to learn about the brand's image from the origin country (Paswan and Sharma, 2004), they will choose whether or not to purchase and repurchase. When consumers have acquired knowledge of the country of origin, they can relate a product or its brand image with a positive image of the country of origin (Guercini and Ranfagni, 2013). That situation may change radically after several years. Therefore, the hypothesis is illustrated as:

H1a: For young Chinese customers, the culture of the country of the brand origin is positively related to brand image.

Brand design elements consist of names, signs, colour and typography. The literature said that elements of design can impact on customers' perception of brand (Lieven *et al.*, 2015). On the other hand, design style has been explained as positioning a brand to reflect the ways in which certain customers or groups prefer to combine and act (Pihl, 2014). Godey *et al.* (2012) pointed out that design style impacts on customer preference and choice through brand image. Design could also be used to enhance customers' lifestyle, quality of life, and product preference (Lähtinen *et al.*, 2014). Based on the literature review, the hypothesis is:

H1b: For young Chinese customers, design style is positively related to brand image.

The attitudes to a brand relate to the degree of which the customer will be willing to buy it. Because human attitudes change slowly, they have an important effect on customers' behaviour in terms of choices and intentions on a brand or product for a period of time (Ching *et al.,* 2013). Academics point out that human attitudes stem from beliefs, so that purchase intention is stimulated by favourable beliefs and therefore attitudes, towards a brand or product.

Store atmosphere is important in fashion retail. It is general defined as the concept of a combination of smell, vision, and touch. Elements such as the colour of the walls, the kind of

music played and its tempo, the background fragrance used create an environment that plays upon customers' emotions (Parsons, 2011).

Store atmosphere has a direct influence on customer attitude. Yildirim *et al.* (2015) suggested that the store which has a pleasant environment will have a positive effect on customers' emotion to give them license to spend more money and increase their shopping time since they enjoy purchasing. However, poor layout and loud music promotes a negative effect on customer attitude (Mohan *et al*, 2013). This leads to the following hypothesis:

H2a: For young Chinese customers, store atmosphere is positively related to customer attitude.

The website atmosphere also affects consumers' emotions and attitudes. Meanwhile, Kim *et al.* (2015) suggested the web atmosphere can provide all the needed information on a brand, including images and descriptions of products, price, colours, design style, icons and music.

The quality of the atmosphere the customer is treated to online is critically important to the effectiveness of online selling. The better the atmospherics of a brand's official website, the more positive influence it will have to customer attitude. For instance, color in the website is an element that influences customer attitude; cool colours can promote feelings of relaxation (Manganari *et al.*, 2009). Therefore, based on the literature review, the hypothesis is:

H2b: For young Chinese customers, website atmosphere is positively related to customer attitude.

Product quality contributes greatly to the competitive advantage of a brand, because high product quality means excellent performance of a product (Dunk, 2002). Liu and Choi (2009) suggested that product quality is the determinant of customers repeat purchase. The quality of a product plays an important role in meeting customer's requirements, so that better product quality can fulfil more customer needs than before, and for longer (Dunk, 2002). It is difficult to change the negative attitude to a brand (Müge Arslan and Korkut Altuna, 2010). Therefore, based on the literature review, the hypothesis is set up as:

H2c: For young Chinese customers, product quality is positively related to customer attitude.

Advertising plays a major role in communication between products and customers. It can offer some information about a brand or product that will attract customers' attention and stimulate responses (Ching *et al.*, 2013). Previous theory and research shows the positive influence advertising can have on customer attitudes towards a product or brand. Therefore, the heavier the expense and more intensive the advertising, the higher the customers would feel the quality (Levy and Gendel-Guterman, 2012; Low and Mohr, 2000). A brand which creates a strong advertising strategy can enjoy a higher price, so the brand generates more profit from the products. In conclusion, advertising can generate favourable customer attitudes. Therefore, based on the literature review, the hypothesis is stated as:

H2d: For young Chinese customers, advertising is positively related to customer attitudes.

Price is an important element which can influence customer attitude and judgements about new products or services (Kaura *et al.,* 2015). Customers' perception of price is influenced by age, educational background, income, and gender.

According to the literature price plays two distinct roles on customers' attitudes and behaviour. Kaura *et al.* (2015) suggest perceived price has a significant positive influence on customer attitudes. Some customers, however, have another view of price, that it demonstrates or signals their personal worth to other individuals. Khare *et al.* (2014) reports that Chinese customers are more prestige sensitivity than American and Japanese customers. Therefore, the hypothesis is created as:

H2e: For young Chinese customers, pricing is positively related to customer attitudes.

Consumer loyalty is measured by the customers' willingness to repurchase a product or service twice or more, by which it can be assumed a relationship exists between those customers and a brand (Bagram and Khan, 2012). In particular, customers prefer to rebuy the same brand or set because of loyalty, especially in the case of well-known brands or their preferred products (Sasmita and Mohd Suki, 2015; Kaura *et al.,* 2015).

For the loyal customer, the process of purchasing becomes easier and more convenient, a psychological response to only needing to buy the brand without any hesitation (Kheng *et al.,* 2010). In spite of traditional Chinese conservative spending habits, the younger generation tends to adopt western consumption behaviours (O'Cass and Siahtiri, 2014).

After that, the service quality of salespersons in the retail store can play an important role in creating and reinforcing customer loyalty. Service quality is defined by customers' perceived judgements, they have expectations about the service they will receive and compare their ideal with the actual. The customer's perception of the service quality affects further purchase behaviour. Service quality has a positive influence on customer loyalty and determines whether customers would be willing to recommend and repurchase (Kaura *et al.*, 2015). The service quality provided by salespeople is important in creating customer loyalty (Kursunluoglu, 2014). Therefore, the hypothesis is created as:

H3a: For young Chinese customers, salesperson service quality is positively related to customer loyalty.

Other research also indicates that salesperson service quality may influence customer attitudes. Mohan *et al.* (2013) mentions that the performance of store employees may influence customers' attitudes, better service may lead to more positive attitudes. Therefore, the hypothesis is created as:

H3b: For young Chinese customers, salesperson service quality is positively related to customer attitude.

From the previous research, brand image can help a company to set up new brands through the analysis of the attitudes of customers (Sasmita and Mohd Suki, 2015). In conclusion, brand

image plays a crucial role in the development of customer attitudes, which may attract more customers to purchase the products. Thus, the hypothesis is:

H4a: For young Chinese customers brand image is positively related to customer attitude.

Brand image is an important factor in the creation of customer loyalty. Brand image impacts customer loyalty by inspiring brand loyalty (Ogba and Tan, 2009). They illustrate that brand loyalty is a result of repeat purchase behaviour of a particular brand. Brand image is tailored to meet the requirement of customers in order to facilitate brand loyalty. So that customers purchasing a brand several times exhibits the degree of brand loyalty to enhance customer loyalty to the store or provider of the branded products. Brand image plays an important role on customer loyalty. Thus:

H4b: For young Chinese customers, brand image is positively related to customer loyalty.

As mentioned above, loyalty can be defined as the repurchase of products bearing a brand, and customer attitudes allow the degree of the loyalty to be measured. Researchers insist there must be a strong relationship between customer attitude and customer loyalty. Attitude is seen as the favorable inclination by customers to repurchase. Therefore, the strength of these attitudes is a key to influencing repurchase behavior to enhance customer loyalty (Kaura *et al.,* 2015). Thus, the hypothesis is:

H5: For young Chinese customers, customer attitude is positively related to customer loyalty.

3. Methodology

The purpose of this research is to examine and discuss young Chinese customers' psychology and motivation towards the purchase of fashion brands. The methods of data collection are online questionnaires and interviews.

3.1 Questionnaire

A questionnaire allows a quantitative analysis. Carrying out a questionnaire provides the primary data to reveal customers' loyalty and opinion of these brands and how much people are concerned about fashion trends. The data for this survey was collected by a self-administered questionnaire. This research scale items in section two were designed as rated on a five-point Likert scale, ranging from 1 (strongly disagree) to 5 (strongly agree). Such a scale of one to five can explore the extent of participants' level of agreement or disagreement on the given statement. The survey method aims to provide the respondents with an amount of choice to express their feelings about a brand exactly, and to make sure of the scale's validity and reliability (Ogba and Tan, 2009).

The questionnaire was divided into three sections. The first section concerned participants' purchase behaviour of fashion brands, such as their main concern about or their overall attitude to fashion brands. The second section focused on four foreign and two local brands and used scalar research, which asks customers' their views of each brand and explores customer

attitudes and customer loyalty. Section three pays attention to general demographic information such as participants' gender, age, length of education, and occupation. At the end of section three, young Chinese customers are asked their perception of fashion using a five-point Likert scale to learn more about their attitudes. The questionnaire was first prepared in English and then translated into Chinese, so that Chinese participants understand the questions totally through the native language. It was then sent out online to young Chinese customers.

The questionnaire was put to 210 participants who are Chinese young customers within the Beijing and Shanghai city areas. Young customers living in Beijing and Shanghai enjoy the latest news, have higher education levels and easy access to the brands. The outcome from data distribution of the research states that 34.29 per cent of participants are male and 65.71 per cent are female. As for age, it shows that 5.71 per cent of participants are in the age group 18–23, 32.38 per cent in the age group 24–29, 48.57 per cent in the age group 30–35, while 13.33 per cent are the 36–40 group. 35.24 per cent of participants are single and 64.76 per cent married.

On participants' educational years, 25.24 per cent of them have enjoyed 11–15 years' education which means they are nearly at Bachelor level, while 60.48 per cent of the participants have received 16–20 years' education, i.e. at Master's degree level and 14.29 per cent had 21–25 years. The research also asked participants' occupation and salary level. Most of the participants are in full-time employment, and a few of them enjoy more than 20,000 Pounds annual salary. Most of them have a yearly income below 15,000 Pounds; 27.1% of the sample earned 10,001 Pounds to 15,000 Pounds a year (Table I).

Table I. Sample Descriptive Analysis

Questions	Category	Frequency	Percent (%)
Gender	Male	72	34.3
	Female	138	65.7
Age group	18 - 23	12	5.7
	24 - 29	68	32.4
	30 - 35	102	48.6
	36 - 40	28	13.3
Current marital status	Single	74	35.2
	Married	136	64.8
Years of education	11~15	53	25.2
	16~20	127	60.5
	21~25	30	14.3
Yearly personal income	Less than 2,000 Pounds	12	5.7

	2,000 Pounds to 5,000 Pounds	21	10.0
	5,001 Pounds to 10,000 Pounds	55	26.2
	10,001 Pounds to 15,000 Pounds	57	27.1
	15,001 Pounds to 20,000 Pounds	38	18.1
	20,001 Pounds to 25,000 Pounds	17	8.1
	More than 25,000 Pounds	10	4.8
	In education	10	4.8
	Full-time employment	187	89.0
Occupation status	Part-time employment	2	1.0
	Self-employed	5	2.4
	I prefer not to answer	6	2.9
Total		210	100.0

In Section three, there is a five-point Likert scale asking for young Chinese customers' perceptions of fashion. From the result (Figure 2), it is obvious that young Chinese customers focus on fashion brands and associated news. In addition, they would like to follow Chinese culture.

Figure 2. Chinese young customers' perceptions of fashion (Source: self-created)

3.2 Interview

Interviews are helpful to summarize the current situation of the Chinese fashion industry. Therefore, the key factors and reasons why customers purchase foreign or local brands would be discovered. Interviews provide qualitative data and are useful to explore the public perception (Daymon and Holloway, 2010).

Three people were confirmed and received the interviews through email. Two of the interviewers are the bloggers who comment on Chinese famous fashion and the other is a fashion store manager. They are resident in China and familiar with the development of the Chinese fashion industry. The interview was in Chinese and had eight main questions. Some of the questions have two or three further issues. The questions in the interview mentioned the development of foreign as well as local brands. Meanwhile, the psychology and motivation of young Chinese customers also has been probed by questions. The results of the interviews will be examined and be transferred and added into Porter's Diamond, which can analysis the Chinese fashion industry, related factors and conditions and government's role (Mann and Byun, 2011).

4 Findings and Discussion

4.1 Research methods

The methods are applied as questionnaire and interview. The questionnaire is used as a quantitative research tool to reveal young Chinese customers' psychology and motivation on fashion brands. The interview is a qualitative research tool in this study to gather information on the current Chinese fashion industry.

4.2 Findings from questionnaire

4.2.1   Correlation analysis and discussion

Correlation analysis is applied in this part to research the relationship between brand image and culture of origin and design style, and, as well to study the association of customer loyalty with brand image, salesperson service quality, and customer attitude. Furthermore, in order to prepare for the regression analysis, the relationship between customer attitude and other variables will be discussed. There are three parts in correlation analysis.

The correlation coefficient between brand image and culture of origin is 0.433, brand image and design style is 0.479, and they are all significant at 0.01 level. Therefore, the study results show that culture of origin and design style have a positive and strong relationship with brand image.

The correlation coefficient between customer loyalty and Brand image is 0.434, with Salesperson service quality it is 0.387, with Customer attitude is 0.602. They are all significant at the 0.01 level. The study results show that Brand image, Salesperson service quality, and Customer attitude have a positive and strong relationship with Customer loyalty.

The correlation coefficient between customer attitude and brand image is 0.456, with Salesperson service quality is 0.358, with store atmosphere is 0.470, with website atmosphere is 0.422, with product quality perception is 0.436, with advertising is 0.382, with pricing is 0.407. Moreover, they are all significant at 0.01 level. So that, the study results show that Brand image, Salesperson service quality, Store atmosphere, website atmosphere, Product quality perception, Advertising, Pricing have positive and strong relationship with Customer attitude.

4.2.2   Regression analysis and discussion

The multiple linear regression is applied to research the effect of culture of origin and design style on Brand image. Then, the influence of brand image, salesperson service quality, and customer attitude on customer loyalty will be tested. The relationship of customer attitude with variables will be analysed. The hypotheses which are proposed will be tested.

The regression coefficient (Beta) of Culture of origin is 0.269, of Design style is 0.333($p<0.05$), as well they are significant at 0.01 level. Which means they have a positive effect on brand image. To find out from the R square is equal to 0.316, which means 36% variance of brand image can be captured by these two independent variables. Moreover, Koubaa (2008) argued that the value of 'Made in' country will influence the development of a

brand. This value can be higher or lower as customers learn about the economy or culture of the 'Made in' country. It would become one point of reference in customers' decision which can prove H1a. Meanwhile, Godey *et al.* (2012) proved design style impacts customer decision-making based on brand image which supported H1b. In conclusion from the above, the independent variables culture of origin and design style have a positive effect on Brand image. The hypotheses H1a and H1b are supported.

The regression coefficient (Beta) of Brand image is 0.188, of Salesperson service quality is 0.170, of Customer attitude is 0.558, as well they are significant at 0.01 level(p<0.05). So they have a positive effect on Customer loyalty. To find out from the R Square is equal to 0.416, which means 41.6% variance of Customer loyalty can be captured by these three independent variables. Meanwhile, Yu Sum and Leung Hui (2009) claimed that customers will compare the expected with the perceived service which supports H3b. Moreover, Donio' *et al.* (2006) stated that customer attitude can play a role in establishing favourable customer loyalty to repurchase; that can prove H5. In conclusion from the above words, the independent variables Brand image, Salesperson service quality, and Customer attitude have a positive effect on customer loyalty. So the hypotheses H4b, H3b, H5 are supported.

The regression coefficient (Beta) of Brand image is 0.163, of Store atmosphere is 0.206, of website atmosphere is 0.101, of Product quality perception is 0.118, of Advertising is 0.112, of Pricing is 0.135; as well they are all significant at 0.01 level (p<0.05). So they have a positive effect on Customer attitude. To find out from the R Square is equal to 0.409, which means 40.9% variance of Customer attitude can be captured by these seven independent variables. At the same time, Store atmosphere can save time to reduce the perceived stress during purchasing which can support H2a (Baker *et al.*, 2002). Then, Hong *et al.* (2004) stated that the design of a website can lead to positive customer attitude. That proves H2b. Moreover, Liu and Choi (2009) supported H2c that product quality can determine customers' attitude on repurchasing. Furthermore, Low and Mohr (2000) suggested that to put more resources into advertising can play an important role on improving customer attitude. That can prove H2d. With regard to pricing to support H2e, Kaura *et al.* (2015) suggested perceived price has a significant influence and plays a positive role in customer attitude. Salesperson service quality is however not significant in customer attitude.

4.2.3   Conclusion of questionnaire

Finally, a summary of the results of the hypothesized structural model is shown in the following Table II.

Table II. A Summary of the Hypothesized Results

Hypothesized paths	Sample (n.210) estimate	Results
H1a: Culture of origin affects brand image	.269	Supported
H1b: Design style affects brand image	.333	Strongly Supported
H2a: Store atmosphere affects customer attitude	.206	Supported
H2b: Website atmosphere affects customer attitude	.101	Supported
H2c: Product quality perception affects customer attitude	.118	Supported
H2d: Advertising affects customer attitude	.112	Supported
H2e: Pricing affects customer attitude	.135	Supported
H3a: Salesperson service quality affects customer attitude	.014	Rejected
H3b: Salesperson service quality affects customer loyalty	.170	Supported
H4a: Brand image affects customer attitude	.163	Supported
H4b: Brand image affects customer loyalty	.188	Supported
H5: Customer attitude affects customer loyalty	.558	Strongly Supported

4.2.4   ANOVA analysis and discussion

ANOVA analysis is used to research six brands and eleven variables to explain the difference in the attitudes of the sample to different brands.

In considering customers' evaluation of Salesperson service quality, website atmosphere, Advertising, Customer attitude and Customer loyalty, we find out the marks for Guess are higher within the six brands. According to the interview (Sankuanz, 2016), Sankuanz said young Chinese people prefer American style to Japanese or Korean. Lysonski (2014) also supported the view that the Chinese younger generation has been influenced by American and global brands since they were children, brands like KFC, Coca-Cola, and Apple. Additionally, these brand images have adapted to traditional and local lifestyles and have been accepted by the Chinese.

4.3 Findings from Interviews

Porter's diamond model established a framework to analyse the competitiveness of an established industry in a country (Mann and Byun, 2011). The result from the interviews can be organized into a Porter Diamond, which is helpful to analyse the current Chinese fashion industry and explore the situations which customers facing.

1) Factor conditions

One of the interviewees explained that the performance of the Chinese stock market has fallen while the value of Yuan has declined (Deloitte, 2014) and the gaps between rich and poor people may grow in size causing risks to the equilibrium of the Chinese economy. Any change in the gap between the rich and the poor cannot be ignored in China.

Another interviewee pointed out that with the development of e-commerce, Chinese customers prefer to purchase online rather than buying goods instore currently. The fashion industry always connects via the internet to increase promotion and create hot topics among the public. The trend of buying online will encourage the development of e-commerce businesses in China and the amount of overseas purchasing will increase. Sharma and Lijuan (2014) say e-commerce has broadened in China recently and consumers have adopted buying online as part of their lifestyle. Customers expect to get the identical products they have seen in stores. Thus the Chinese have taken to online e-commerce as an important method of purchasing. Meanwhile, B2B or B2C are becoming more attractive to merchants to join in, which also invites customers to carry out purchasing online. The company Alibaba has launched Alipay to help Chinese customers to purchase overseas.

2) Demand conditions

The interviewees pointed out that the Chinese have been showing interest in luxury brands for several years now. Due, they think, to brands from foreign countries enjoy more prestige in fashion markets. Delong *et al.* (2005) illustrated that Chinese women have begun to buy clothes which combine Eastern and Western aspects. At the same time, another interviewee asserted the Chinese like to buy products from overseas, especially as the Chinese middle class has more purchasing power for luxury brands. Chen and Lamberti (2015) mentioned that the Chinese upper- and upper-middle classes who are seriously wealthy, may account for more than 20% of luxury goods sales. These views may prove that some Chinese recently have the purchasing power and enjoyment to buy luxury brands.

They also argued that young Chinese customers would rather buy foreign fashion brands than local if they had more money. Also that said, the Chinese make the transition from fashion brands to luxury brands gradually. At the same time, young Chinese customers pursue the new lifestyle which is fresh and sporting; they communicate how to keep fit and heathy, paying more attention to casualness and freedom. One interviewee evaluated the UK brand New Look as popular among young male Chinese customers.

3) Firm strategy, structure and rivalry

The interviewees said Chinese local fashion brands are very limited; they do not have on the resources to spend on design and development. Hu *et al.* (2012) explained how customers' perception of a brand image has an impact on how products and brands are seen. The development of local brands is mostly grounded at the primary stage and their activities are not accepted and noticed by the majority of customers.

4) Related and supporting industries

One of the interviewees suggested the behaviour of counterfeiting is popular in China; someone would buy and copy a product from the online stores, or a few factories copy the design details of clothes the store buyers recommend. Lin (2011) described China as the centre of counterfeit brand manufacture because some Chinese cannot easily access luxury goods. However, due to the promotion of copyright laws, more Chinese reject the copycats and turn to buying the real ones.

Another interviewee said that young Chinese customers pay most attention to the products recommended by fashion bloggers or worn by celebrity endorsers. In the related literature, Pihl (2014) explained how the action of fashion bloggers can draw customers' attention and create the shared consciousness to influence the opinions of the public. Then, Carroll (2009) described how each social class has their own celebrity, who is regarded as a fashion leader to enhance their confidence and make brands attractive. There are a few luxury brands have turned to find the idols to represent their products to attract the attention of the young generation. Celebrity endorsement and fashion bloggers can play a major role in leading the fashion trends in China.

5) Government's role in enhancing competitiveness

One interviewee reported that the Chinese government has started the anti-corruption campaign in recent years which may inhibit the purchase of luxury products. It is reported that China's President Xi has maintained the corruption crackdown launched in 2012, forcing government officials to be aware of the risks of receiving gifts. The purchase of luxury goods in China has declined.

Another interviewee added that the Chinese Customs created new rules limiting oversea purchases. According to the Chinese Customs Official Website (2016), people who buy products overseas will pay an increased import duty. That would make products bought from foreign sources would be more expensive than before.

4.4 Main Findings and Discussion

To sum up the findings from the questionnaires and interviews, it is clear that young Chinese customers are actively and determinedly pursuing a better lifestyle. They are concerned about new things and always receive the latest. As a result, young Chinese customers would

like to be in contact with different cultures and brands, not only those fashion brands which are around them, but also to learn more about luxury brands that they may be able to afford now or in the future. They pay a great deal of attention to design style and quality, which they equate with how much they pay. They always look to brands that match their personality and illustrate their personal preference or motivation.

There are a few local fashion brands which do well in China, but most of them are limited and attract low attention from Chinese customers. This leads to a vicious circle where these brands do not have enough resources to achieve greater awareness in China. In addition, the Chinese government also needs to provide more support for these local brands to encourage their development of design and manufacture. In this way, local Chinese fashion brands might have increased opportunities to achieve market success and communicate more ideas on fashion design to attract customers' attention.

5   Conclusion, limitation and future research

The purpose of this study was to examine the psychology and motivation of young customers around fashion brands. This study has investigated and stated clearly the impact of factors that influence young Chinese customers. To explore the attitudes and brand loyalty of young Chinese fashion customers, 210 questionnaires and interviews with three individuals have been carried out to find evidence and support. The result showed that there is a significant and positive relationship between culture of origin and design style and brand image. Moreover, the variables, such as store atmosphere, website atmosphere, product quality, advertising, pricing and brand image were found to impact on customer attitudes.

Furthermore, the study has explained how salesperson service quality, brand image and customer attitude affects brand loyalty among young Chinese customers. In other words, fashion brands should emphasize design to sell more clothes, like American or French styles, to attract attention from Chinese customers. Then, providing customer-friendly store atmosphere and attractive websites can also improve customer attitudes to a brand. In order to further enhance the promotional effectiveness, managers can choose an appropriate celebrity endorsement to represent the brands or attract more attention from young customers in China.

Although the social activities that foreign fashion brands organize look more professional and active, Chinese fashion brands could make greater efforts to develop more specialized activities to catch the eyes of local people. By example, it is reported fashion brand MO&Co. has held the Fashion Gala 2016 in Beijing 751 Dark Park, which involved a fashion show to launch the new collection and focus on the new style which is active and energetic. Thus, it is recommended that managers should keep up innovation to provide newer ways to cater to the needs of young Chinese customers.

Marketers need to recognize this younger generation is always in contact with the newest information and objects, which makes them always looking for the latest thing to refresh their preferences. As also, they can make more effort on innovation, such as new technology of clothes or new type of design. Due to Chinese faced up with a few changes every day, they need more fresh things which can attract their attention to pay money for. To face up to the furious competition in the fashion industry in China, marketers need to establish a brand which expresses popular design styles and attracts the right potential buyers.

Some things might limit the findings and results of this research. In this study, the number of questionnaires is only 210. From a statistical point of view in an academic paper, this size of sample may lack comprehensiveness and authority. If there are more people in the age range of 18–30 to respond and to supply a wider population, the information gathered would become more accurate in its analysis of the situation within young Chinese customers. In order to explore different cultures that the brands enjoy, the study has selected four foreign and two local fashion brands. Chinese people have been the greatest consumers of luxury goods worldwide (Chen and Lamberti, 2015). A few luxury brands should therefore be added to enhance the discussion, illustrating the different views that Chinese customers hold between fashion brands and luxury brands.

Future research should be focused on the factors that can influence Chinese customer attitudes by humanity. In relation to this, we find that the Chinese like to share their preferences and recommendations with other people around them. As a result, positive word-of-mouth communication expands among friends, colleges or online contacts. The worth of positive word-of-mouth is valuable to marketers because the social influencers can provide positive recommendations to increase the confidence in buying a brand or products (Brown *et al.*, 2005). Chinese consumers prefer to refer to the opinion other people provided on their purchase decision. These positive word-of-mouth views not only from people around people currently, but also can come too from celebrity endorsers and other effective reference groups such as fashion bloggers, that are at the centre of the Chinese fashion industry.

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Figure 1: National Bureau of Statistics, China Electronic Commerce Research Center, Deloitte analysis (2016), "*Total retail sales in China*" [Diagram], available at: http://www2.deloitte.com/content/dam/Deloitte/cn/Documents/international-business-support/deloitte-cn-csg-a-guide-for-investing-in-china-en-2016.pdf (accessed 14 August 2016)

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