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people are waiting outside the fashion brand store

Exploring the Purchasing Intents of Hiked Up Prices of High-end Products

Inside The Behavior of Buying Prestige Items

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In modern society, trend-chasing is widely commonplace, particularly in metropolitan areas. Although the act of purchasing fashion name brands appear through people of all ages, teenagers have shown particular favor, unmatched with their purchase power, toward those brands. Many individuals are willing to spend a large sum of money on fashion items that may be overpriced, and perhaps beyond their budget.

In order to explore this generalized pattern of consumerism beyond one's financial means, our team conducted two forms of data collection. First, we conducted qualitative interviews of teenagers in Shenzhen, China, a major metropolitan city in Southeast China. Second, we conducted a quantitative survey of Chinese teenagers' (n = 138)] thoughts and rationale for purchasing high-priced consumer products.

Qualitative Interviews

According to the qualitative interviews, high school students from different schools and even those that study in different countries tend to exhibit similar points of view, namely that they a) acknowledge the high prices of fashion products, and b) note the frequency of seeing people on the street wearing name-brand Air Jordan products. That said, most of our interviewees report only purchasing the name-brand products when their allowance from their parents is adequate.

Amy Huang, a 16 year old female student, receives fashion products as rewards for getting high marks or during sales. For instance, when she travels to Hong Kong to take TOEFL exams, she will purchase some clothes since prices in Hong Kong tend to be lower than prices in mainland China. Notably, Amy will not purchase certain brands if they are too expensive (e.g., Supreme, Yeezy), as her family simply cannot afford prices for items over 1000 yuan (approx. \$140 USD). Although she

acknowledged the social pressure to be fashionable so as to not seem “out of fashion,” Amy insisted that purchasing intent is dependent on family income level.

Louis Li, a male tenth-grader, is a fan of rap and hip-hop and, hence, prefers to wear clothes (oversized, eccentric patterns, tattered) and hairstyles (dreadlocks) that represent hip-hop and urban culture. He noted that as a high school student, his only income source is from his parents, which may lead to an overreliance on his parents for money and goods, as well as an overreliance on others’ opinions on one’s appearance. As a counter point, he referenced the Japanese brand, Uniqlo, which has affordable clothes with comfortable clothing. Uniqlo has been becoming increasingly popular these days.” Incidentally, his parents support convenience as a priority over expensive and superficial fashion.

Allison Sun, an 18 year old student studying in the U.S, noted that her parents will send her money for daily and disposable income since she is overseas. Allison spends about 10,000 yuan (approx. \$1,400 USD) on fashion products, which is consistent with her network of friends who also tend to regularly purchase high-end items. She noted that “most of my friends share one common feature: they like to talk about money. They seem to want to improve their position among others by owning expensive things.” That said, she mentioned that “Although I do not want to judge [my friends], I don’t think buying high-end products is unnecessary.”

Jason Wu is a 17 year old in the 11th grade and has a high interest in fashion, constantly paying close attention to his external appearance. He buys fashion items about once a month, a pattern that is supported by his well-to-do parents. Jason noted however, that he doesn’t purchase high-end items for three reasons. First, these items were too expensive and the products’ quality are often not worth the inflated price. Secondly, he had no huge demand for over-priced fashion items. Finally, he prefers to learn of the original prices of goods before purchasing, for fear of being cheated.

Louis Lv, a high school biology teacher, uses his own salary to buy trendy products

about once a month. Louis usually only buys products of his favorite brand. When we asked him what he thought about the purchase of these over-priced products, he said that the over-priced products simply represent the value of brands, believing that people should buy products when financial circumstances permit.

Auda Liu, a 22-year-old high school history teacher, usually uses his salary to buy fashion products through his friends who are studying abroad. Unlike other people who buy over-priced products, Auda prefers to buy products with collectible value and commemorative meaning, believing that the purchase of these products is a way of loving life, and an acceptable hobby.

Lucy Liu, a 17 year old high school student, uses fashion to both show her strengths and mask her weaknesses. She acknowledged that the price of items has little to do with her decision to purchase items; as long as she likes the item, she will buy it. For instance, she is often comfortable spending 1000-2000 yuan (approx. \$140-280 USD) over the listed price of an item, if she likes the item. Monthly, she spends approximately 500 yuan (approx. \$70 USD) on clothes and 1,500 yuan (approx. \$200 USD) on shoes. Her favorite brands are Champion, Thrasher, and CDG (which has a unique and original style). Lucy interestingly criticized the phenomenon of purchasing counterfeit items as “hypocritical,” perhaps not recognizing that the price of her preferred high-end items is also arbitrary and relative.

Our team also interviewed some parents for their opinions about fashion products and why they are usually overpriced.

Lucy Liu’s mother, who claimed that if the items are beautiful enough, then she would also buy over-priced products in an acceptable range (500-1000 RMB, or approx. \$70-140 USD). That said, she often doesn’t understand why Lucy buys those expensive goods and was more cautious with her spending behavior.

Mrs. Yao, a mother of a teenager, works for a clothing company. When we asked

about the phenomenon of excessive prices of fashion products, she noted that it depends on the reasons why they are overpriced. It is fine that a product attracts many consumers because of its innovative design or high quality; however, if its expensive price is caused by vicious business strategies, such as hunger marketing, she would never buy it. In regards to her children, Mrs. Yao said, “As long as my child doesn't spend too much money on it, I won't stop him.”



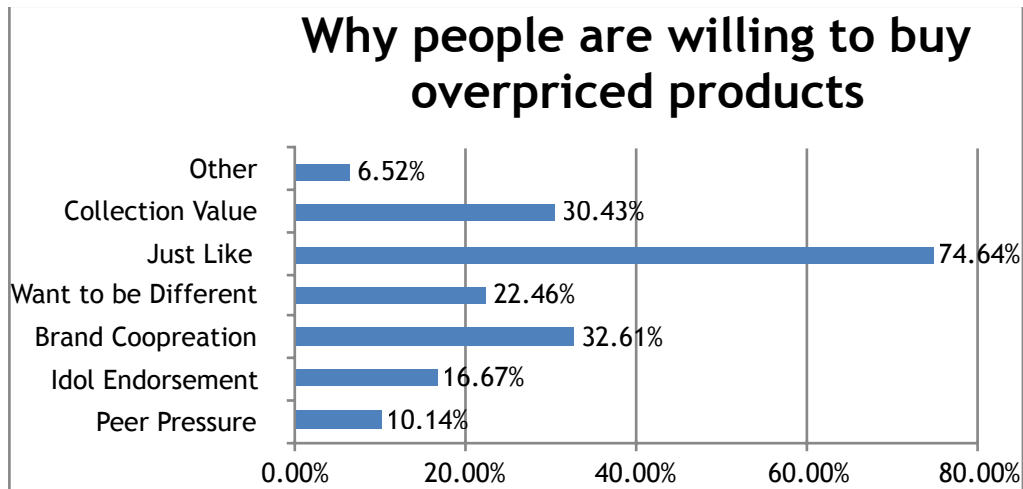
cr. Tianya Fang

Kids are all wearing over-priced fashion items

Quantitative Survey

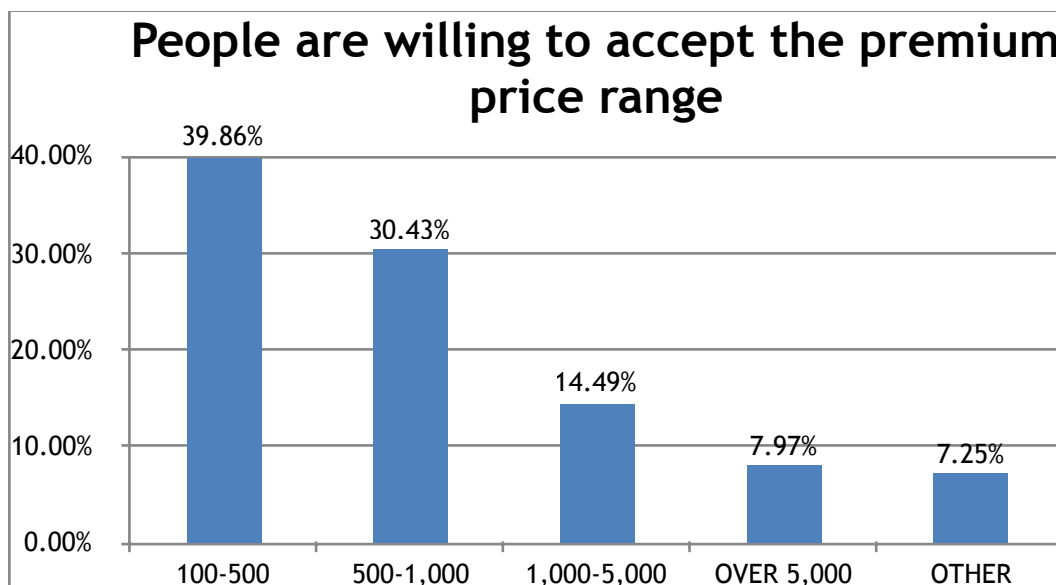
In addition to our interviews, our team conducted a survey of 138 high-school students from Southeast China, focusing our intentions and justifications on purchasing high-end brand name fashion products. We will report on 3 main findings of this quantitative analysis.

Justification for Purchase



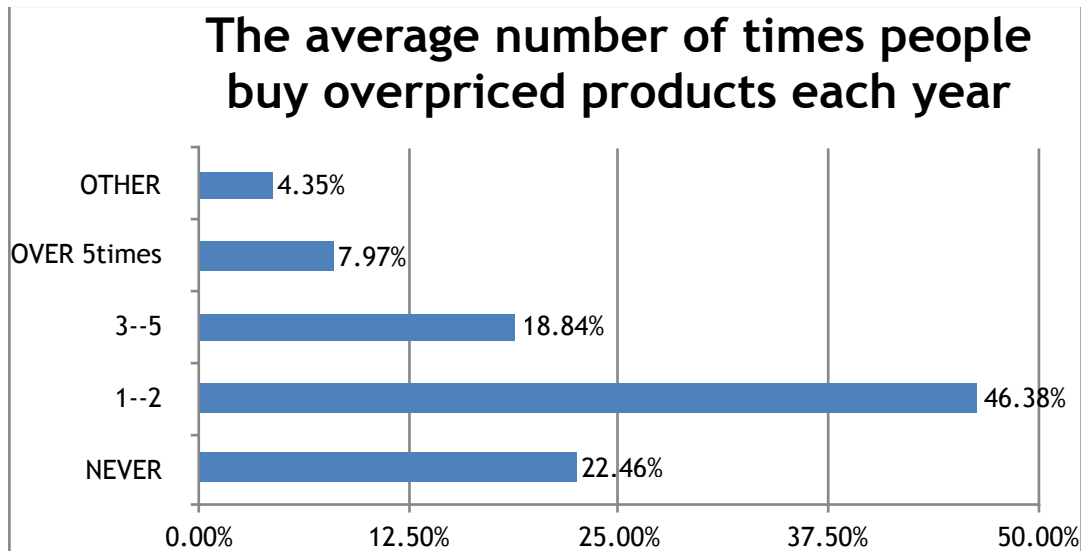
According to our questionnaire, most students purchased overpriced products only because they liked it, while others took into consideration the collection value and the cooperation between brands. There were still a few people who are unwilling to buy overpriced products.

Acceptable price range



Our survey indicates that people are open to buying overpriced products. However, if the price is too high, most would not purchase the items.

Average number of purchases



According to the results of the questionnaire, most people tend not to buy overpriced products. 46.38% of respondents said they bought overpriced items only 1-2 times a year. Only 7.97% of respondents admitted to buying these high-priced items more than 5 times a year. A larger percentage of respondents (22.46%) never buy overpriced items.



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Kids take photos of their fashion items in novel way to show off

Conclusion

Consumerism, particularly of high-end products, is an interesting phenomenon to observe and study in modern society, particularly in mainland China where exposure and access to many such brands is a relatively recent development. This report explored the buying habits that consumers had in relation to high-priced, prestige items and found that most people tend not to buy them more than twice a year. Furthermore, as the price range increased, consumers were less inclined to buy these kinds of items.

We conclude that, despite the rise in popularity of high-end products in China, most people prefer to be modest with their spending regarding these items.