

# The Impact of Cultural Values on Brand Perception and Customer Loyalty in the Chinese Luxury Fashion Industry

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**ABSTRACT:** The Chinese luxury fashion market has emerged as one of the largest consumer markets globally, making it essential for brands to understand the cultural influences that shape consumer behaviour for effective strategic brand management. This study investigates the impact of cultural values, specifically collectivism, harmony, and ritualistic consumption, on brand perception and customer loyalty within the Chinese luxury fashion industry. Hofstede's Cultural Dimensions Theory is employed as the theoretical framework to examine how cultural values influence consumer preferences and brand engagement. The study adopts a quantitative research design, collecting primary data from 100 Chinese consumers aged 18 to 40 in Beijing through random sampling. A structured questionnaire using a five-point Likert scale was administered to measure brand perception, customer loyalty, and cultural factors. The data were analysed using IBM SPSS, incorporating reliability testing, descriptive statistics, Pearson correlation analysis, and multiple regression analysis to assess the relationships among the variables. The findings indicate that all three cultural dimensions significantly influence brand perception and customer loyalty, with ritualistic consumption demonstrating the strongest effect. The results suggest that luxury fashion brands that align with Chinese cultural norms, promote social harmony, and incorporate traditional rituals into their marketing strategies are more likely to foster positive brand perceptions and long-term customer loyalty. The study also emphasizes the importance of ethical research practices by ensuring data validity, reliability, and participant confidentiality. Overall, this research provides actionable insights for luxury fashion brands seeking to enhance cultural sensitivity, improve consumer engagement, and strengthen customer loyalty in the highly competitive Chinese market.

**KEYWORDS:** Collectivism; harmony; ritualistic consumption; brand perception and customer loyalty

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## 1. Introduction

The global luxury fashion industry has increasingly focused on China as one of the fastest-growing consumer markets, where understanding consumer behaviour is essential for achieving strategic success. Cultural values, including collectivism, harmony, and ritualistic consumption, play a critical role in shaping brand perception and customer loyalty. In the

Chinese context, Confucian values emphasise social harmony, respect for tradition, and collective orientation, which significantly influence how consumers perceive and engage with luxury fashion brands [1]. Despite the expansion of international luxury brands into China, many organisations have faced challenges in aligning their brand strategies with local cultural expectations. Cultural differences may create inconsistencies between intended brand positioning and actual consumer perceptions, thereby affecting customer loyalty. Therefore, a systematic understanding of the relationship between cultural values and consumer behaviour is essential for sustaining a competitive advantage in this market [2].

This study aimed to examine the impact of key cultural dimensions on brand perception and customer loyalty within the Chinese luxury fashion industry. Using a quantitative approach, the research focused on consumers aged 18 to 40 years in Beijing. The findings were expected to provide valuable insights for developing culturally responsive marketing strategies that enhance brand positioning and foster long-term customer loyalty in China. Cultural values have a significant influence on customer loyalty and brand perception. Brand preference and customer loyalty have attracted considerable attention from researchers because consumer behaviour is often shaped by societal norms and cultural values [3]. Brand perceptions vary across cultures; even when a brand is positioned consistently across different countries, consumers may perceive it differently. Similarly, cultural values influence the effectiveness of loyalty programmes, as consumers in different countries may prefer different types of loyalty incentives [4]. In China, the fashion industry follows Confucian values that emphasise respect for tradition, social harmony, and collective behaviour. Understanding these values helps fashion brands recognise how they influence purchasing decisions and consumer interactions with luxury brands.

Cultural values play a major role in shaping brand perception and customer loyalty within the Chinese fashion industry [5]. However, many fashion brands continue to face challenges in maintaining their brand image and customer loyalty. According to [6], cultural differences remain a major obstacle for fashion brands operating in China. These challenges include cultural appropriation concerns, the need to adapt to Chinese cultural norms, and difficulties in establishing strong international brand identities. Such issues have increased public sensitivity toward the use of Chinese cultural elements in fashion products and marketing campaigns [1]. Consequently, foreign brands often require substantial time and effort to understand and adapt to Chinese cultural expectations before achieving success in the market [7]. Fashion designers are also expected to develop a deep understanding of traditional Chinese culture before incorporating cultural elements into their designs. Obtaining insights from luxury fashion consumers, particularly those aged between 18 and 40 years living in Beijing, was expected to help identify the factors that attract consumers and strengthen their loyalty toward luxury brands. Furthermore, collecting data related to cultural dimensions such as harmony and collectivism provided an opportunity to evaluate their influence on customer loyalty and brand perception.

The objective of this research was to investigate the impact of cultural values on brand perception and customer loyalty in the Chinese luxury fashion industry. Specifically, the study examined how collectivism influenced consumers' perceptions of luxury fashion brands and their loyalty toward them. It also investigated the role of harmony in shaping brand perception and strengthening customer loyalty. In addition, the research analysed how ritualistic consumption affected consumer attitudes, brand evaluations, and loyalty behaviours within the

Chinese luxury fashion market. This study focused on understanding the impact of cultural values on brand perception and customer loyalty in the Chinese luxury fashion industry. The findings contributed to a better understanding of how luxury fashion brands respond to consumer demands and preferences while supporting business growth. Furthermore, the study examined the influence of harmony and collectivism within the Chinese luxury fashion sector, providing insights into factors that may enhance customer trust in fashion brands [8]. The study was significant for researchers and future scholars because it provided a deeper understanding of the role of cultural values in promoting inclusivity, diversity, and cultural awareness. It also offered practical insights for fashion designers from different countries seeking to understand Chinese cultural values and their significance. In addition, business organisations were able to gain valuable knowledge regarding the influence of cultural values on brand perception, which could support the development of more effective marketing and branding strategies. These insights may also contribute to the existing body of literature on consumer behaviour and luxury brand management.

## **2. Literature Review and Theory**

### *2.1. Collectivism.*

According to [9], collectivism is a cultural value that prioritises group interests over individual desires and achievements. As explained by [10], this cultural dimension significantly influences consumer behaviour because purchasing decisions are often based on the opinions and preferences of family members, peers, and society. The theoretical foundation of the present study further explains that collectivism contrasts directly with individualism. According to [11], consumers in China, a society characterised by strong collectivist tendencies, often consider group opinions when making luxury fashion purchasing decisions.

### *2.2. Harmony.*

Harmony is a cultural value that emphasises maintaining balance and avoiding conflict within social relationships and interactions [12]. In Chinese collectivist society, harmony is considered a fundamental aspect of both interpersonal and societal relationships. The theoretical framework of the present study suggests that Chinese consumers often make decisions that conform to social expectations in order to preserve harmony. According to [13], aligning brand strategies with the cultural value of harmony not only enhances brand appeal but also fosters stronger emotional connections with consumers.

### *2.3. Ritualistic consumption.*

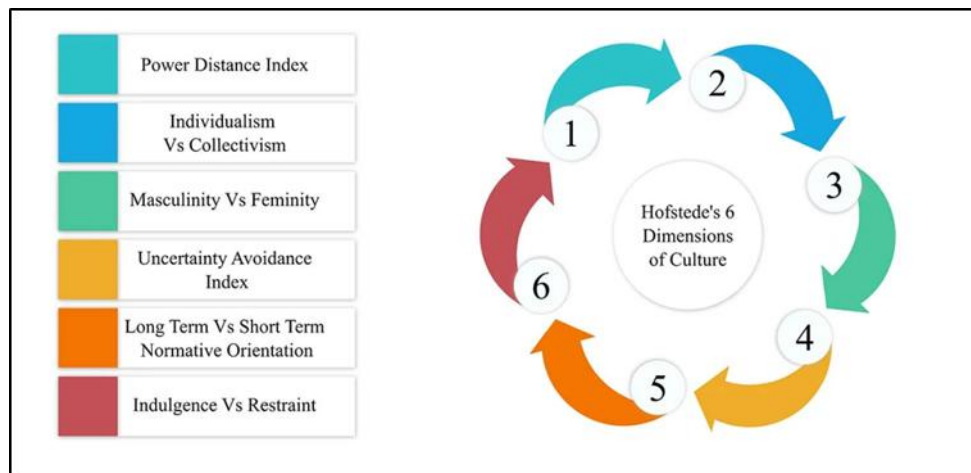
Ritualistic consumption refers to consumer behaviour associated with culturally or socially significant rituals involving specific products or services [14]. The theoretical perspective of the present study suggests that ritualistic consumption is closely linked to societal traditions and long-term cultural values. According to [15], traditions play a crucial role in shaping cultural values in China, and luxury fashion purchases are often influenced not only by functional or aesthetic considerations but also by cultural rituals and symbolic meanings.

## 2.4. Brand perception and customer loyalty.

According to [9], brand perception refers to the way consumers interpret and form opinions about a brand based on their experiences, beliefs, and values. Within the context of luxury fashion in China, brand perception is influenced by cultural values such as collectivism and the desire for social status [10]. Customer loyalty, on the other hand, refers to consumers' tendency to repeatedly purchase products from the same brand over time due to satisfaction and emotional attachment [16]. According to [17], both brand perception and customer loyalty are influenced by cultural dimensions. For example, in collectivist cultures, customer loyalty may be driven by the desire to conform to group norms and maintain social harmony, whereas brand perception may be influenced by a brand's ability to demonstrate authenticity and preserve long-term cultural values through its products and marketing activities.

## 2.5. Hofstede's cultural dimensions theory.

Hofstede's Cultural Dimensions Theory provides a comprehensive framework consisting of six cultural dimensions: Power Distance Index (PDI), Individualism versus Collectivism, Masculinity versus Femininity, Uncertainty Avoidance Index (UAI), Long-Term Orientation versus Short-Term Normative Orientation, and Indulgence versus Restraint. According to [18], the Power Distance Index reflects the extent to which members of a society accept unequal distributions of power and authority. In the context of this study, Chinese consumers are often attracted to luxury brands that convey high social status and prestige. Furthermore, China is characterised by a collectivist culture, which prioritises group harmony and shared values over individual achievements [19]. This cultural characteristic enables brands to foster a sense of collective identity through their marketing campaigns. Figure 1 illustrates Hofstede's Cultural Dimensions Theory and its six cultural dimensions..



**Figure 1.** Hofstede's cultural dimensions theory.

The Masculinity versus Femininity dimension, as discussed by [20], is relevant to this study because China exhibits a relatively masculine orientation, emphasising competition, achievement, and material success. In addition, China demonstrates a moderate level of uncertainty avoidance, indicating that consumers value authenticity, reliability, and clear brand communication [18]. Another important dimension is Long-Term Orientation, which is

particularly prominent in Chinese culture. This dimension suggests that luxury fashion brands that align with traditional Chinese values and cultural heritage are more likely to cultivate long-term customer loyalty. Finally, China's relatively restrained cultural orientation, as highlighted by [21], suggests that consumers tend to exercise caution in indulgent consumption and often require strong justification for luxury purchases. Consequently, luxury brands must communicate clear value propositions to effectively influence consumer purchasing decisions.

## 2.6. Hypothesis development.

H1: Collectivism has a significant impact on brand perception and customer loyalty. Collectivism plays an important role in shaping brand perception and customer loyalty in the Chinese luxury fashion industry. In collectivist societies such as China, consumers often make purchasing decisions based on social acceptance, family influence, peer opinions, and community values [11]. Therefore, luxury fashion brands are evaluated not only based on product quality and design but also on their ability to reflect cultural identity, social status, and group affiliation. Brands that align with traditional values and social expectations are more likely to create positive brand perceptions among Chinese consumers [15]. Furthermore, collectivism promotes customer loyalty because consumers tend to maintain long-term relationships with brands that are perceived as trustworthy, culturally relevant, and socially respected. Conversely, brands that fail to understand collectivist values may appear culturally disconnected and face difficulties in building customer loyalty. Therefore, collectivism is expected to have a significant influence on both brand perception and customer loyalty.

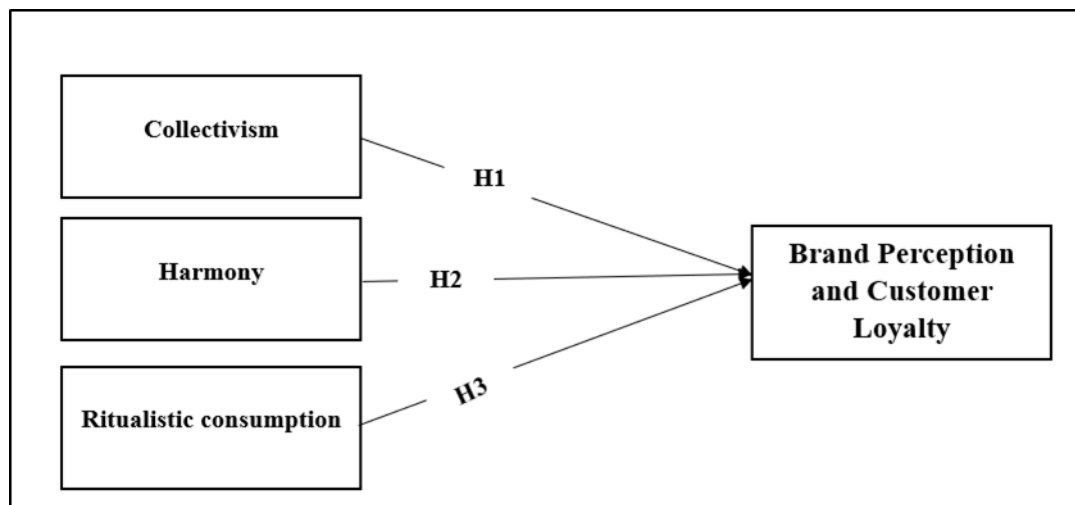
H2: Harmony has a significant impact on brand perception and customer loyalty. Harmony is a fundamental cultural value in Chinese society because it emphasises balance, peaceful relationships, and respect for social expectations. Within the luxury fashion industry, Chinese consumers often prefer brands that demonstrate cultural sensitivity, social responsibility, and shared values [5]. A brand that communicates harmony through its designs, marketing messages, and ethical practices is more likely to generate a positive brand perception. Consumers frequently associate harmonious brands with trustworthiness, respect, and cultural understanding. Harmony also influences customer loyalty, as consumers are more likely to remain loyal to brands that maintain respectful relationships with society and avoid actions that may create cultural conflict or controversy [3]. In contrast, brands that employ misleading messages, culturally insensitive designs, or inappropriate cultural symbols may damage consumer trust and loyalty. Therefore, harmony is expected to positively influence both brand perception and customer loyalty within the Chinese luxury fashion market.

H3: Ritualistic consumption has a significant impact on brand perception and customer loyalty. Ritualistic consumption plays a significant role in shaping brand perception and customer loyalty in the Chinese luxury fashion industry. In China, many purchasing decisions are associated with cultural and social rituals, such as gift-giving, festival celebrations, weddings, and important family events [7]. These rituals provide luxury fashion products with symbolic, emotional, and social value beyond their functional attributes. Brands that recognise and incorporate ritualistic consumption into their marketing strategies are more likely to be perceived positively by Chinese consumers. For example, special product collections developed for Chinese New Year and other traditional festivals can demonstrate cultural awareness and respect [17]. Ritualistic consumption also strengthens customer loyalty because

consumers may repeatedly purchase from brands that become associated with meaningful cultural occasions. When a brand becomes integrated into important traditions and celebrations, consumers are more likely to develop stronger emotional attachments and long-term preferences toward that brand.

### 2.7. Conceptual framework.

The conceptual framework illustrates the relationship between cultural values and consumer outcomes in the Chinese luxury fashion industry. Specifically, Figure 2 presents three independent variables, collectivism, harmony, and ritualistic consumption, that are proposed to influence the dependent variables, namely brand perception and customer loyalty. Collectivism reflects the influence of group norms, social expectations, and family opinions on consumer decision-making [16]. Harmony represents the importance of maintaining balance, cultural sensitivity, and social stability in brand communication and consumer interactions. Ritualistic consumption refers to purchasing behaviour associated with cultural traditions, festivals, and symbolic practices. As shown in Figure 2, each independent variable is hypothesised to have a direct and significant effect on brand perception and customer loyalty, as represented by hypotheses H1, H2, and H3. The framework suggests that luxury fashion brands that successfully align their products, communication strategies, and brand values with these cultural dimensions are more likely to enhance positive brand perceptions and strengthen long-term customer loyalty among Chinese consumers.



**Figure 2.** Conceptual framework.

## 3. Research Methodology

### 3.1. Research design and sampling.

This study employed a quantitative research methodology to examine the impact of cultural values on brand perception and customer loyalty in the Chinese luxury fashion industry. A quantitative approach was considered appropriate because it enabled the collection of numerical data and the statistical examination of relationships among key variables, including collectivism, harmony, ritualistic consumption, brand perception, and customer loyalty [15]. Primary data were collected through a structured survey questionnaire administered to selected

participants. The target population consisted of Chinese luxury fashion consumers residing in Beijing who were between 18 and 40 years of age. A total of 100 respondents were selected using a random sampling technique, ensuring that each individual had an equal probability of participation and reducing potential sampling bias.

### *3.2. Data collection instrument.*

The research instrument consisted of a structured questionnaire based on a five-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree). The questionnaire included demographic questions and closed-ended items designed to measure the study variables, namely collectivism, harmony, ritualistic consumption, brand perception, and customer loyalty. To ensure the quality of the research instrument, reliability and validity assessments were conducted to evaluate the consistency, accuracy, and relevance of the measurement items.

### *3.3. Data analysis and ethical considerations.*

The collected data were analysed using IBM SPSS software. Statistical techniques, including descriptive statistics, reliability analysis, correlation analysis, multiple regression analysis, and hypothesis testing, were employed to examine the relationships among the variables and evaluate the proposed hypotheses [14]. These analytical methods helped determine the strength, direction, and significance of the relationships between cultural values, brand perception, and customer loyalty. Ethical principles were strictly observed throughout the study. Participants were informed about the purpose of the research, and their participation was entirely voluntary. Informed consent was obtained prior to data collection, and anonymity and confidentiality were maintained to protect participants' personal information and privacy. Overall, the adopted methodology provided a systematic, objective, and evidence-based approach for investigating consumer behaviour and examining the influence of cultural values on brand perception and customer loyalty in the Chinese luxury fashion market.

## **4. Results and Discussion**

The collected data were analysed using IBM SPSS software. Several quantitative analyses were conducted, including demographic analysis, reliability testing, descriptive statistics, correlation analysis, and multiple regression analysis. These statistical procedures were used to assess the reliability of the measurement scales, describe respondent characteristics, and examine the relationships among the study variables. The findings generated from these analyses provided a basis for evaluating the effects of collectivism, harmony, and ritualistic consumption on brand perception and customer loyalty. The results were subsequently interpreted and discussed in relation to existing literature and the theoretical framework underpinning the study. A discussion of the key findings is provided at the end of this section, highlighting the major patterns identified from the data analysis and explaining their practical and theoretical implications for the Chinese luxury fashion industry.

#### 4.1. Demographic information.

Demographic analysis was conducted to understand the characteristics of the respondents and provide context for interpreting the study findings. The demographic profile included age group, purchase frequency, and preferred luxury fashion brand. Table 1 presents the demographic distribution of the 100 respondents included in this study. The largest proportion of respondents belonged to the 23–27 years age group (30%), followed by those aged 28–32 years (28%). Respondents aged above 32 years accounted for 26% of the sample, while the 18–22 years age group represented the smallest proportion at 16%. These results indicate that the majority of respondents were young adults, representing a key consumer segment within the Chinese luxury fashion market. Regarding purchasing frequency, the results indicate a relatively balanced distribution among respondents who purchased luxury fashion products once every six months (26%), once every quarter (26%), and once every month (26%). Meanwhile, 22% of respondents reported purchasing luxury fashion products once a year. This finding suggests that most participants were active consumers of luxury fashion products and had regular purchasing experiences, making them suitable respondents for evaluating brand perception and customer loyalty.

**Table 1.** Demographic characteristics of respondents.

| Variable                  | Category              | Frequency (n) | Percentage (%) |
|---------------------------|-----------------------|---------------|----------------|
| <b>Age</b>                | 18–22 years           | 16            | 16.0           |
|                           | 23–27 years           | 30            | 30.0           |
|                           | 28–32 years           | 28            | 28.0           |
|                           | Above 32 years        | 26            | 26.0           |
| <b>Purchase Frequency</b> | Once a year           | 22            | 22.0           |
|                           | Once every six months | 26            | 26.0           |
|                           | Once a quarter        | 26            | 26.0           |
|                           | Once every month      | 26            | 26.0           |
| <b>Preferred Brand</b>    | Louis Vuitton         | 9             | 9.0            |
|                           | Gucci                 | 38            | 38.0           |
|                           | Chanel                | 35            | 35.0           |
|                           | Others                | 18            | 18.0           |

#### 4.2. Reliability analysis.

Reliability analysis was conducted to assess the internal consistency of the measurement instrument used in this study. Reliability refers to the extent to which a set of measurement items consistently measures the intended constructs and produces stable results across different observations [22]. A reliable instrument enhances the credibility and accuracy of the research findings. The reliability statistics for the 24 questionnaire items are presented in Table 2. The analysis produced a Cronbach's Alpha value of 0.859, which exceeds the commonly accepted threshold of 0.70. This result indicates a high level of internal consistency among the measurement items. Furthermore, the Cronbach's Alpha based on standardised items was 0.883, which was slightly higher than the original value. This suggests that standardising the measurement items further improved the reliability of the scale. As shown in Table 2, both reliability coefficients demonstrate that the questionnaire items were sufficiently consistent and suitable for subsequent statistical analyses, including correlation and regression analysis. Therefore, the measurement instrument can be considered reliable for examining the

relationships among collectivism, harmony, ritualistic consumption, brand perception, and customer loyalty.

**Table 2.** Reliability analysis results.

| Reliability Measure                          | Value |
|----------------------------------------------|-------|
| Cronbach's Alpha                             | 0.859 |
| Cronbach's Alpha Based on Standardized Items | 0.883 |
| Number of Items                              | 24    |

#### 4.3. Descriptive statistics.

Descriptive statistics were used to summarise the distribution and central tendencies of the study variables. This analysis provides an overview of respondents' perceptions regarding collectivism (C), harmony (H), ritualistic consumption (RC), and brand perception and customer loyalty (BPCL). Descriptive measures such as minimum value, maximum value, mean, and standard deviation help researchers understand the characteristics and variability of the collected data [23]. The descriptive statistics presented in Table 3 indicate that all variables were measured across a wide range of responses. Among the variables, collectivism (C) recorded the highest mean score ( $M = 3.03$ ,  $SD = 0.85$ ), suggesting that respondents generally demonstrated a relatively strong collectivist orientation. Ritualistic consumption (RC) followed closely with a mean score of 2.93 ( $SD = 0.95$ ), indicating a moderate level of engagement in consumption behaviours associated with cultural traditions and rituals. Harmony (H) recorded a mean value of 2.91 ( $SD = 0.61$ ), reflecting respondents' moderate agreement regarding the importance of social harmony and cultural sensitivity in luxury fashion consumption. Meanwhile, brand perception and customer loyalty (BPCL) had the lowest mean score ( $M = 2.65$ ,  $SD = 0.70$ ), suggesting that respondents exhibited moderate perceptions and loyalty levels toward luxury fashion brands.

**Table 3.** Descriptive statistics of study variables.

| Variable                                     | N          | Minimum | Maximum | Mean | Std. Deviation |
|----------------------------------------------|------------|---------|---------|------|----------------|
| Collectivism (C)                             | 100        | 1.17    | 7.83    | 3.03 | 0.85           |
| Harmony (H)                                  | 100        | 1.50    | 4.83    | 2.91 | 0.61           |
| Ritualistic Consumption (RC)                 | 100        | 1.00    | 5.00    | 2.93 | 0.95           |
| Brand Perception and Customer Loyalty (BPCL) | 100        | 1.00    | 4.00    | 2.65 | 0.70           |
| <b>Valid N (Listwise)</b>                    | <b>100</b> | —       | —       | —    | —              |

#### 4.4. Pearson's correlation analysis.

Pearson's correlation analysis was conducted to examine the strength and direction of the relationships among collectivism (C), harmony (H), ritualistic consumption (RC), and brand perception and customer loyalty (BPCL). The Pearson correlation coefficient ranges from -1 to +1, where values closer to +1 indicate a strong positive relationship, values closer to -1 indicate a strong negative relationship, and values near zero indicate little or no relationship between variables [24]. The correlation results are presented in Table 4. All variables exhibited positive and statistically significant correlations at the 0.01 significance level ( $p < 0.01$ ). Collectivism was moderately correlated with harmony ( $r = 0.433$ ,  $p < 0.001$ ) and ritualistic consumption ( $r = 0.399$ ,  $p < 0.001$ ). Collectivism also demonstrated a positive relationship with brand perception and customer loyalty ( $r = 0.301$ ,  $p = 0.002$ ), indicating that stronger

collectivist values were associated with more favourable brand perceptions and greater customer loyalty. Harmony showed a moderate positive correlation with brand perception and customer loyalty ( $r = 0.406$ ,  $p < 0.001$ ), suggesting that consumers who valued social harmony were more likely to perceive luxury brands positively and remain loyal to them. Furthermore, harmony was positively associated with ritualistic consumption ( $r = 0.454$ ,  $p < 0.001$ ). Among all relationships, ritualistic consumption demonstrated the strongest correlation with brand perception and customer loyalty ( $r = 0.866$ ,  $p < 0.001$ ). This finding suggests that cultural rituals, traditions, and symbolic consumption behaviours play a particularly important role in shaping consumer perceptions and loyalty toward luxury fashion brands in China. Since all correlation coefficients were statistically significant, the results provide preliminary evidence supporting the proposed hypotheses.

**Table 4.** Pearson's correlation matrix.

| Variables                                    | C       | H       | RC      | BPCL    |
|----------------------------------------------|---------|---------|---------|---------|
| Collectivism (C)                             | 1.000   | 0.433** | 0.399** | 0.301** |
| Harmony (H)                                  | 0.433** | 1.000   | 0.454** | 0.406** |
| Ritualistic Consumption (RC)                 | 0.399** | 0.454** | 1.000   | 0.866** |
| Brand Perception and Customer Loyalty (BPCL) | 0.301** | 0.406** | 0.866** | 1.000   |

\*\*Note:  $p < 0.01$  (2-tailed).

#### 4.5. Multiple regression analysis.

Multiple regression analysis was performed to examine the effects of collectivism, harmony, and ritualistic consumption on brand perception and customer loyalty. This statistical technique enables the identification of the relative contribution of multiple predictor variables to a dependent variable while controlling for the influence of other variables [25]. The regression coefficients presented in Table 5 indicate the extent to which each measurement item contributes to the dependent variable (BPCL1). Positive coefficient values indicate a positive effect on brand perception and customer loyalty, whereas negative values indicate an inverse relationship. Several variables demonstrated statistically significant effects on BPCL1. Among them, RC2 exhibited the strongest positive influence ( $\beta = 0.842$ ,  $t = 19.211$ ,  $p < 0.001$ ), followed by RC3 ( $\beta = 0.719$ ,  $t = 4.529$ ,  $p < 0.001$ ). These results indicate that ritualistic consumption is a major determinant of brand perception and customer loyalty among Chinese luxury fashion consumers. Additionally, H2 ( $p = 0.001$ ) and H5 ( $p < 0.001$ ) showed significant positive effects, suggesting that harmony contributes positively to consumer attitudes and loyalty. Several collectivism indicators, including C2 ( $p = 0.002$ ) and C5 ( $p = 0.046$ ), were also statistically significant, indicating that collectivist values influence consumer perceptions and behavioural intentions. However, some items, such as C3 ( $p = 0.302$ ), C6 ( $p = 0.465$ ), H4 ( $p = 0.496$ ), and H6 ( $p = 0.788$ ), did not significantly affect the dependent variable. Overall, the regression results suggest that ritualistic consumption exerts the strongest influence on brand perception and customer loyalty, followed by harmony and collectivism.

**Table 5.** Multiple regression analysis results.

| Construct               | Item | B      | Std. Error | Beta ( $\beta$ ) | t-value | p-value | 95% CI Lower | 95% CI Upper | Significance |
|-------------------------|------|--------|------------|------------------|---------|---------|--------------|--------------|--------------|
| Constant                | —    | 0.241  | 0.184      | —                | 1.311   | 0.194   | -0.125       | 0.608        | No           |
| Collectivism            | C1   | -0.088 | 0.041      | -0.085           | -2.138  | 0.035   | -0.170       | -0.006       | Yes          |
|                         | C2   | -0.148 | 0.046      | -0.126           | -3.206  | 0.002   | -0.240       | -0.056       | Yes          |
|                         | C3   | -0.010 | 0.010      | -0.028           | -1.039  | 0.302   | -0.030       | 0.010        | No           |
|                         | C4   | -0.066 | 0.032      | -0.060           | -2.039  | 0.045   | -0.131       | -0.002       | Yes          |
|                         | C5   | 0.089  | 0.044      | 0.088            | 2.027   | 0.046   | 0.002        | 0.176        | Yes          |
|                         | C6   | -0.035 | 0.048      | -0.027           | -0.734  | 0.465   | -0.131       | 0.060        | No           |
| Harmony                 | H1   | 0.128  | 0.043      | 0.107            | 2.964   | 0.004   | 0.042        | 0.214        | Yes          |
|                         | H2   | 0.160  | 0.044      | 0.137            | 3.608   | 0.001   | 0.072        | 0.248        | Yes          |
|                         | H3   | -0.083 | 0.035      | -0.076           | -2.337  | 0.022   | -0.154       | -0.012       | Yes          |
|                         | H4   | -0.020 | 0.029      | -0.019           | -0.683  | 0.496   | -0.077       | 0.038        | No           |
|                         | H5   | 0.158  | 0.040      | 0.140            | 3.906   | <0.001  | 0.078        | 0.239        | Yes          |
|                         | H6   | -0.009 | 0.032      | -0.008           | -0.270  | 0.788   | -0.073       | 0.056        | No           |
| Ritualistic Consumption | RC1  | -0.076 | 0.037      | -0.072           | -2.074  | 0.041   | -0.150       | -0.003       | Yes          |
|                         | RC2  | 0.827  | 0.043      | 0.842            | 19.211  | <0.001  | 0.741        | 0.912        | Yes          |
|                         | RC3  | 0.747  | 0.165      | 0.719            | 4.529   | <0.001  | 0.419        | 1.075        | Yes          |
|                         | RC4  | -0.128 | 0.044      | -0.131           | -2.929  | 0.004   | -0.214       | -0.041       | Yes          |
|                         | RC5  | 0.149  | 0.048      | 0.148            | 3.103   | 0.003   | 0.053        | 0.244        | Yes          |
|                         | RC6  | -0.681 | 0.173      | -0.653           | -3.926  | <0.001  | -1.026       | -0.336       | Yes          |

Dependent Variable: Brand Perception and Customer Loyalty (BPCL1).

#### 4.6. Coefficient of determination ( $R^2$ ).

The coefficient of determination ( $R^2$ ) was examined to evaluate the explanatory power and overall fit of the regression model.  $R^2$  indicates the proportion of variance in the dependent variable that can be explained by the independent variables included in the model. As presented in Table 6, the regression model produced an R value of 0.973 and an  $R^2$  value of 0.948. This result indicates that approximately 94.8% of the variance in brand perception and customer loyalty can be explained by collectivism, harmony, and ritualistic consumption. The Adjusted  $R^2$  value of 0.936 further confirms the robustness of the model after accounting for the number of predictors included in the analysis. The model was also statistically significant, as indicated by the F-statistic ( $F = 81.259$ ,  $p < 0.001$ ). Therefore, the regression model can be considered highly effective in explaining the relationships between the independent and dependent variables. The exceptionally high  $R^2$  value suggests that cultural values play a substantial role in influencing brand perception and customer loyalty within the Chinese luxury fashion industry.

**Table 6.** Model summary.

| Statistic                  | Value  |
|----------------------------|--------|
| R                          | 0.973  |
| R Square ( $R^2$ )         | 0.948  |
| Adjusted R Square          | 0.936  |
| Std. Error of the Estimate | 0.301  |
| F Change                   | 81.259 |
| Significance (p-value)     | 0.000  |

#### 4.7. Hypothesis testing.

Hypothesis testing was conducted to determine whether the proposed relationships between cultural values and brand perception and customer loyalty were statistically supported. The results of the analyses are summarised in Table 7. All three hypotheses were supported. The findings indicate that collectivism, harmony, and ritualistic consumption significantly influence brand perception and customer loyalty among Chinese luxury fashion consumers. The Pearson correlation analysis revealed positive and significant relationships between all independent variables and the dependent variable. Furthermore, the multiple regression results demonstrated that most measurement items associated with collectivism, harmony, and ritualistic consumption had significance values below the threshold of 0.05, providing further support for the proposed hypotheses. Notably, ritualistic consumption exhibited the strongest correlation with brand perception and customer loyalty ( $r = 0.866$ ), highlighting its dominant role in shaping consumer behaviour within the Chinese luxury fashion market. This finding suggests that integrating cultural traditions, symbolic meanings, and ritual-based marketing strategies may be particularly effective for strengthening customer loyalty and enhancing brand perception. The high  $R^2$  value obtained from the regression model further confirmed the suitability of the proposed conceptual framework and demonstrated that cultural values are important predictors of consumer behaviour. Overall, the results support the argument that cultural dimensions significantly influence brand perception and customer loyalty in the Chinese luxury fashion industry.

**Table 7.** Hypothesis testing results.

| Hypothesis                                                                                    | Result    |
|-----------------------------------------------------------------------------------------------|-----------|
| H1: Collectivism has a significant impact on Brand Perception and Customer Loyalty            | Supported |
| H2: Harmony has a significant impact on Brand Perception and Customer Loyalty                 | Supported |
| H3: Ritualistic Consumption has a significant impact on Brand Perception and Customer Loyalty | Supported |

#### 4.8. Discussion.

The findings obtained from the quantitative data analysis provide valuable insights into the cultural factors that influence brand perception and customer loyalty in the Chinese luxury fashion industry. The results indicate that collectivism, harmony, and ritualistic consumption significantly affect consumers' perceptions and loyalty towards luxury fashion brands. Collectivism was found to be an important factor in shaping positive brand perception and customer loyalty among Chinese consumers. According to [26], consumers in collectivist societies often make purchasing decisions based on the opinions and expectations of family members, friends, and social groups. The influence of social networks and opinion leaders also plays a crucial role in consumer decision-making. As China is widely recognised as a collectivist society, the findings support the notion that consumers aged between 18 and 40 years are influenced by collective values when selecting luxury fashion brands. Brands that align with social expectations and group values are more likely to gain favourable perceptions and long-term customer loyalty. The study also highlights the importance of harmony as a key cultural value influencing consumer behaviour. Previous studies have suggested that harmony can be reflected through product design, brand communication, and overall consumer experience [27]. Brands that promote social balance, respect cultural values, and avoid

controversial or disruptive marketing practices are more likely to establish positive relationships with consumers. The regression analysis further demonstrates that harmony significantly contributes to brand perception and customer loyalty, indicating that consumers value brands that exhibit cultural sensitivity and social responsibility.

Furthermore, ritualistic consumption emerged as the strongest predictor of brand perception and customer loyalty. This finding suggests that cultural traditions, symbolic consumption, and participation in social rituals significantly influence consumer behaviour within the Chinese luxury fashion market. Previous studies have reported that ritualistic consumption contributes to stronger customer loyalty and emotional attachment towards brands [28]. Consistent with these findings, the present study revealed that consumers aged between 18 and 40 years place considerable importance on products associated with cultural events, festivals, and symbolic occasions. When luxury fashion brands become integrated into meaningful cultural practices, consumers are more likely to develop emotional bonds and long-term loyalty towards those brands. Overall, the findings confirm that cultural values play a significant role in shaping consumer attitudes and behaviours. Luxury fashion brands that successfully incorporate collectivism, harmony, and ritualistic consumption into their branding and marketing strategies are more likely to enhance brand perception and strengthen customer loyalty in the Chinese market.

#### *4.9. Recommendation*

**Improving Cultural Value:** The management of luxurious fashion brands in China can include different strategies and concepts for improving the cultural value of brand perception. A company can prioritise cultural sensitivity by understanding the customs and values of its customers and target audiences. Different fashion brands in China can develop different campaigns to communicate with their customers including local languages, cultural events, and collaboration with cultural consultants when required to avoid misinterpretation and accuracy. By incorporating cultural sensitivity for developing new marketing and branding strategies, the organisation can develop strong connections with diverse customers and audiences, foster customer loyalty, and enhance brand perceptions. **Providing Appropriate and Adequate Training:** Proper training for the employees and workforce regarding cultural sensitivity is important and its motivating them to work actively can empower the employees to develop an inclusive brand image. Using some strategies to improve the cultural value in brand perceptions can be effective. Conducting thorough market research can help the management gain a deep understanding of cultural values, nuances, and beliefs to target audiences across various regions to tailor messaging accordingly. On the other hand, integrating cultural values into a brand identity can help to recognise core cultural values. It can allow luxury fashion brands to incorporate with other brands to develop a better mission statement, brand story, and visual identity with collaboration. The management can also use relevant language and images related to their culture to attract their customers by avoiding generic offensive representations. Developing suitable guidance for the employees from the local community members or the cultural consultant can ensure the marketing process accurately to show the process of avoiding stereotypes and value culture of the country. **Offering Incentives through Community Programmes:** Engaging the customers with cultural events like small celebrations of cultural events, providing discounts, developing community initiatives or others in the company can

develop a genuine connection and interest in the customers. It can help them to trust their selected luxury fashion brands. Promoting strategies or frameworks related to inclusion and diversity can also showcase marketing materials that involve people from different genders, ethnicities, and backgrounds. Therefore, by incorporating cultural sensitivity for developing new marketing and branding strategies, the organization can develop strong connections with diverse customers and audiences, foster customer loyalty, and enhance brand perceptions with these mentioned recommendations.

#### *4.10. Limitation*

The study result provides significant ideas regarding the way of improving cultural value to manage brand perceptions and customer loyalty in the luxury fashion industry of China. This requires proper improvement to prove and gain customer loyalty to increase the customer base of the luxury fashion brands. However, the study does not focus on issues related to potential misinterpretation, misunderstanding, cultural insensitivity, and the threats of cultural appropriation. This may limit this research and hence create the path for further investigation to deliver in-depth knowledge based on the field of research.

#### *4.11. Future scope*

Based on the research, it has been understood that some areas need to be highlighted in the study to indicate the direction and guidance for future investigators. It can help them understand the effectiveness of improving cultural values to maintain brand perception and customer loyalty in the luxury fashion industry of China. The future researcher can investigate the ways of incorporating diverse cultural perspectives with cross-cultural collaboration for developing relationships with designers, local influencers, or the community to develop cultural campaigns for building trust with the customers. Moreover, the limit of this study can provide the opportunity to investigate the issues related to other variables that are lacking in this current study.

### **5. Conclusions**

This study concludes that cultural values have a significant impact on brand perception and customer loyalty in the Chinese luxury fashion industry. The findings show that collectivism, harmony, and ritualistic consumption all influence how Chinese consumers evaluate luxury fashion brands and develop loyalty toward them. Collectivism affects consumer decisions through family influence, peer opinions, and social acceptance. Harmony strengthens brand perception when brands respect cultural expectations, avoid conflict, and present stable and ethical messages. Ritualistic consumption has the strongest relationship with brand perception and customer loyalty because luxury fashion purchases in China are often linked to festivals, gift-giving, weddings, and other meaningful cultural occasions. The quantitative findings support all three hypotheses, confirming that cultural values are important predictors of consumer behaviour. The reliability result also indicates that the research instrument is consistent, while the regression model shows a strong fit for explaining the relationship between the variables. Therefore, luxury fashion brands operating in China should develop culturally sensitive strategies that reflect Chinese traditions, social values, and symbolic

consumption practices. Overall, this study contributes to understanding how cultural values shape consumer attitudes and loyalty in a competitive luxury market. Future studies may examine additional cultural variables, broader consumer groups, and cross-cultural comparisons to improve the generalisability of the findings.

### Author Contribution

Xu Zhengqi contributed substantially to all aspects of this study.

### Competing Interest

The authors declare no conflicts of interest.

### Data Availability

The data that support the findings of this study are available from the corresponding author upon reasonable request

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