



## Social stratification and mobility among Chinese middle class households: An empirical investigation



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### ABSTRACT

Middle class (MC) consumers' demand for a better quality of life continues to drive economic growth in emerging markets (EMs). Given their importance for the dynamically transforming economy in EMs, the present study examines the extent to which consumption patterns are associated with social stratification and mobility among China's MC consumers. Building on the extant literature that links material and culture consumption to social stratification, we construct a typology of MC households in contemporary China, identifying the factors by which these newly emerging MC households vary or are similar in their consumption behavior. We find that, of the three widely recognized stratifying dimensions (income, education, and occupation), educational attainment is the strongest indicator explaining the variance in culture consumption among the MC households, while occupation plays a relatively weak role in explaining their consumption patterns. Among the alternative pathways into the social class position of MC, our findings suggest that merely becoming wealthy is negatively related to culture consumption of these new MC households while becoming MC defined by educational attainment or belonging to the core middle class (whose status is achieved on all of the three stratifying dimensions) has a profound effect on both material and culture consumption. The findings support the conclusion that social stratification and mobility are of importance for China's MC consumers in shaping and maintaining their lifestyles and consumption patterns.

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Rapid rise of middle class (MC) consumers in emerging markets (EMs) represents a new and powerful foundation for the advancement of society (Dobbs et al., 2012; Sheth, 2011). It is noteworthy that middle class consumers are influential in shaping consumer demand as their influence can be felt pervasively in mass media and public policies. MC consumers in EMs exhibit a remarkable appetite for consumption. They are eager to seek symbolic membership associated with their own stratum and/or higher social status through acquisition of certain goods and brands (Cui & Song, 2009). With better access to previously restricted goods and exposure to the Western lifestyle, the new MC consumers in EMs also exhibit a fresh, new social identification, and they are in the midst of a deep socio-cultural transformation

(Kravets & Sandikci, 2014). Indeed, their attitudes, values, and expectations are in flux (Xin, 2013).

According to the 'Iceberg Model of Middle Class' (Cavusgil, Kardes, Cavusgil, & Deligonul, 2014), the middle class is most visible via its consumption behavior. Contained within a deeper level, however, is one's education and professional achievement. Although different groups within this emerging middle class "might appear amorphous and lack the cohesiveness required by the traditional definitions of class, they increasingly appear to shape their status around a new set of collective interests, especially in their modes of consumption and access to resources" (Tomba, 2004, p. 4).

Despite the importance of the middle class to economic development in EMs, there has been surprisingly scant research on their consumption behavior (Kravets & Sandikci, 2014; Üstüner & Holt, 2010). We advance this research by explicitly examining consumption behavior among middle class consumers in China—admittedly, the largest EM in the world. Specifically, we address two research questions. First, we investigate the extent to which

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consumption is associated with social stratification of China's emerging middle class. Research on the differences in consumption between/within classes consistently reveals three stratifying dimensions that distinguish their identity: income, education level, and occupation (e.g., Bourdieu, 1984; De Graaf, 1991). Since both *material* and *culture* consumption are linked to lifestyle choices and fulfill the need for class distinction, our first research question is thus focused on how these three stratifying indicators explain – independently, as well as jointly – the consumption of material and cultural goods among the emerging MC households in China. Second, by taking a dynamic view of social stratification and drawing on Hope's (1975) diamond additive model, we seek to explain how upward mobility among China's MC consumers may play a key role in shaping their consumption patterns. The landscape of the new and massive middle class in EMs shifts and changes rapidly over time with sweeping economic change and social transformation in these countries (Kravets & Sandikci, 2014; Üstüner & Holt, 2010). However, researchers have been less likely to include temporal aspects in their theory and research. Consequently, most of the past research focuses only on a static description of the consumption behavior of the new middle class, ignoring the changing profile of these newly emerging MC consumers and their consumption behavior. As an initial attempt to address this issue, we developed and tested a theoretical model of the consumption among the emerging MC consumers by tracking their evolution through different pathways into their current social status in the midst of a dramatic economic transition.

This study is intended to make two contributions to the relevant literature. First, instead of viewing MC consumers in EMs as a whole, we offer a MC typology to investigate how consumer consumption patterns may vary within China's middle class. Given that we still do not know much about MC consumers in EMs, additional theoretical and empirical investigations are merited to reveal the connection between social class/status position and consumption patterns that support certain lifestyles. Additionally, previous studies linking social class to consumption behavior tend to view social classes as discrete membership groups. As a result, much effort has focused on detecting the existence of significant differences in consumption behavior across classes. Exploring the diversity and dynamism of intra-class behavior has been largely neglected (Fisher, 1987). In response, this study focuses on intra-class differences in consumption by proposing and empirically testing a meaningful typology of MC consumers in EMs.

Second, this study contributes to the extant literature by integrating social mobility into the study on the consumption of the new MC consumers, an important issue for the rapidly evolving middle class population in EMs. It has been shown that both historical and social-structural factors play a major role in determining class-specific forms of consumption (DiMaggio & Useem, 1978). To the extent that China's emerging MC has been experiencing highly dynamic social circumstances and certain patterns of historical evolution, one would expect distinctive consumption characteristics to emerge. In this sense, integrating social mobility into our theoretical model enables us to take a dynamic view to gain an indepth understanding of the differentiated consumption behavior among the new MC consumers in EMs.

In the remainder of this paper, we first review the extant work on the MC consumption behavior in the fields of sociology and marketing. We then consider the resources influencing culture and material consumption and advance specific hypotheses. Next we detail the research methodology, including a description of the data and research context. The main findings are presented, followed by conclusions and directions for future research.

## 1. Theoretical background

### 1.1. Social stratification and consumption

The relationship between social stratification and consumption has received extensive attention in the sociology and marketing literature for decades. In the field of marketing and consumer behavior, researchers frequently employ social stratification as a tool for market segmentation as it can help define the position of individuals within a stratified social system (Coleman, 1983; Martineau, 1958; Sivadas, 1997). More recently, consumer behavior researchers have linked social stratification to the possession of certain products (Rucker & Galinsky, 2008), attitudes toward global brands (Steenkamp & de Jong, 2010), purchase evaluation criteria (Williams, 2002), and consumption in an emerging economy (Kamakura & Mazzon, 2013).

In sociology, some researchers investigate the relationship between social strata and the consumption of material wealth (e.g., Sobel, 1981), whereas others place emphasis on the link between social class and material consumption as well as culture participation (e.g., Bourdieu, 1984; De Graaf, 1991; Kraaykamp & Nieuwebeerta, 2000; Sobel, 1983). While material possessions may serve as “status symbols” (Goffman, 1951), “cultural taste and consumption serve as effective means of the symbolic communication of status as an order distinct from that of ‘mere’ economic advantage” (Chan & Goldthorpe, 2007a, p. 1103). Particularly, Brooks (2010) points out that the members of the upper middle classes are avid consumers in both culture and material consumption. Similar consumption patterns apply to the new middle class as they actively involve diverse and contradictory consumption forms (Savage, Barlow, Dickens, & Fielding, 1992).

A key theme common to both literatures implies that lifestyle and consumption can serve as a convenient cue for class structuration (DiMaggio, 1994). In fact, it has been widely recognized that social stratification occurs not only within the production arena but also in consumption, and among people sharing a common lifestyle (Giddens, 1973). Visible lifestyle expressions act as “signs of group affiliation” (Bourdieu, 1984) and allow similar status groups to gain a sense of solidarity and distinguish one status group from another (DiMaggio, 1994). It is the demands of one's social position that helps define reference sets to which he/she will refer and decide his/her own lifestyle (Sobel, 1981).

Following Bourdieu (1984), researchers tend to view culture consumption and material consumption as two major forms of lifestyles. Based on the extant studies (e.g., Bourdieu, 1984; DiMaggio, 1987; Van Eijck, 1997), we define culture consumption as the consumption of cultural products and/or services, which entails the processing of cultural or aesthetic information. Material consumption refers to the consumption of material goods that are physically present and visible (DiMaggio, 1987). Material and culture consumption intertwine with each other while also maintaining substantial differences. On the one hand, it has been recognized that symbolic value is increasingly attached to material consumption (Van Eijck & Van Oosterhout, 2005). Consumers choose the products that suit their own personal taste and use the consumption of certain goods as an instrument for symbolic significance and self-expression (Baudrillard, 2002). In this sense, material consumption embodies both socio-economic background and cultural background, and it simultaneously creates new boundaries between the ever-changing taste groups (Katz-Gerro, 2003). On the other hand, financial resources are directly associated with material consumption, while symbolic abilities and tastes, values and aesthetic standards are more relevant for

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