

## From Monotony to Diversity: Changes in Urban Chinese Ideas of Consumption

Tang Yuanxiong<sup>1</sup> and Grace F. Johnson<sup>2</sup>

<sup>1</sup> *School of Philosophy and Sociology, Lanzhou University, No. 222 Tianshui South Road, Lanzhou, Gansu Province, China, 730000*

*Office: 86-931-8913710 E-mail: jyxtang2004@163.com*

<sup>2</sup> *Department of Business and Economics, Marietta College, 215 Fifth Street, Marietta, Ohio, USA, 45750*

*Telephone: 740-376-4631; Fax: 740-376-7501; E-mail: johnsong@marietta.edu*

**KEYWORDS** Urban Residents. Consumption Ideas. Market Transition. Changes

**ABSTRACT** As Chinese urban residents have more possibilities of consumption selection, their consumption ideas have also changed over the last thirty years. This paper describes these changes and analyzes their characteristics. Based on available information, manifesting categories of consumption ideas have changed from monotony to diversity, the ways of consumption have shifted from being a “follower” to being assimilated and personalized, and the level of consumption has evolved from subsistence to self-development. These changes of urban residents’ consumption ideas are marked by epochal features as time progresses. Yet, consumption ideas themselves contain contradictions and the changes in consumption ideas differ among urban residents. Also, the changes are strongly influenced by policies and public opinion. The change of consumption ideas in urban China is one part of the country’s market transition and reflects changes in social values and ways of life across the last thirty years.

### INTRODUCTION

The “*consumption idea*” is people’s guiding ideology and attitude toward their disposable income and the orientation of pursuing the value of commodities and service. It is interrelated with certain beliefs and values, dominating people’s consumption selection and consumption activities (Qu and Shao 2007; Dong and Zhang 2011). Therefore, if researchers would like to study the transition of this consumption pattern in China, they must examine the function of the consumption idea (Wang 2001). Since urban residents, in large measure, lead China’s trends of consumption, the renewal and change of urban residents’ consumption ideas have important implications for China’s social and economic development (Chen 2002; Sun and Huang 2001). However, consumption research on consumption patterns is relatively new in China. Some researchers have studied specific aspects of consumption ideas, such as housing (Zhang and Zhu 2009), or consumption ideas of some special groups, such as college students (Chen and Ning 2012), the youth (Wu 2008), the elderly (Kong 2011), and so on. But few scholars have described consumption ideas from a sociological (Peng 1996; Wang 2001) or anthropological perspective (Tian 2014). This paper describes the changes of urban residents’

consumption ideas and analyzes the characteristics of these changes.

### METHODOLOGY

There has been a market transition (Nee 1989) in urban China since China began carrying out its reform and open policy in the early-to-mid 1980s. During the process of the transition from redistributive to market coordination, urban residents gradually gained more possibilities of consumption selection, and they have turned from passive consumption to active consumption (Davis 2000; Li 2002; Lu 2002). Consequently, urban residents’ consumption ideas have changed in recent years. Because an insufficient consumption demand in China has become an outstanding problem in the economic and social development of China in recent years, many researchers have focused on consumption ideas. Many economists have theoretically analyzed the significance of updating consumption ideas (Chen 2002; Sun and Huang 2001; Yang and Lan 2000). For instance, Sun and Huang (2001) analyze the relationship between consumption ideas and expanding domestic consumption demand. Some economists notice that consumption ideas have changed and have realized the importance of changes of urban residents’ consumption ideas by studying the consumption structure of urban

residents in the last thirty years (Lu 1997; Chen 1997; Zheng 2006).

However, there are relatively few researchers who have analyzed consumption ideas from a sociological perspective. For example, in interpretive sociology, Peng (1996) and Wang (2001) have theoretically posited a very simple analysis of consumption ideas. Peng mentions the descriptive definition of the consumption idea, and lists some typical consumption ideas in China and simply refers to the social factors that influence consumption ideas. Wang discusses how consumption ideas are formed during the process of individual socialization and are deeply influenced by social factors. Using data from social surveys, Lu (2002) illustrates that urban residents' consumption ideas are characterized by class and regional differences. Other researchers have argued that changes in urban residents' consumption ideas are related to the changes of ways of life and consumption culture in urban China. However, these researchers have not systematically analyzed the changes of consumption ideas in urban China in detail from a sociological and anthropological perspective.

Since the changes of urban residents' consumption ideas are comprehensive and complicated, a macro-level analysis presents a better venue from which to view and understand this phenomenon. A consumption idea is one kind of value and a relatively abstract concept; it must have a certain extrinsic carrier to manifest its changes. So the changes of consumption ideas in urban China in the last thirty years could be described from the three following dimensions: the manifesting categories of consumption ideas, the manifesting ways of consumption ideas, and the manifesting levels of consumption ideas. Based on this description, the characteristics of the changes also should be analyzed.

Because changes of consumption ideas are an ongoing process, data over different years should be studied. Although less data about consumption ideas could be found, there is much relevant data about consumption or consumer behavior. Because consumer behavior and consumer activities are undertaken under the influence of a certain consumption idea, they can reflect the character of consumption ideas. Relevant existing data could be used to analyze this relationship.

While not all the data are directly related to consumption ideas, and in order to analyze the

changes of urban residents' consumption ideas in the last thirty years, the researchers conducted a case study among urban residents across age and income lines in Lanzhou, the capital of Gansu province in northwestern China. The researchers interviewed 21 people across age (20 to 70) and socio-economic levels.

## FINDINGS

### Main Changes of Urban Residents' Consumption Ideas in the Last Thirty Years

#### *From Monotony to Diversity*

During the Maoist era, because of the political environment and economic conditions, the traditional consumption ideas, "*from saving comes having*" and "*live within one's income*", were not weakened, but were strengthened. Under the guidance of these consumption ideas, urban residents restrained their consumption desire and reduced their own consumption demand to the minimum limit. Therefore, urban residents advocated a basic, daily goods type of consumption and preferred saving money to consuming, even depositing more than they spent on consumption (Yang and Lan 2000). Naturally, they strongly objected to credit consumption.

In addition, urban residents' consumption ideas demonstrated much similarity (Lu 2002: 67-81). As an elderly intellectual (retired male, 70 years old) said: "*in the Maoist era, my wage scale was almost unchanged. With the exception of the daily expenditure, there was almost no surplus income. I had to save some money in case of emergency. Luckily, I worked at a unit and the unit could provide me much according to that poor condition. What's more, there was no huge gap among my colleagues and the other ordinary people by the level of income. Consequently, we had common characteristics in consumption.*"

Because the "*rapid commercialization of consumption did more than simply increase consumer choice and raise the material standard of living. It also broke the monopolies that had previously cast urban consumers in the role of supplicants to the state*" (Davis 2000: 2-3), urban residents have more rights regarding consumption choice. Naturally, their consumption ideas have gradually changed in recent years.

As consumption ideas are people's subjective systems that are used to evaluate services and consumer behaviors, as well as commodities, consumption ideas would vary among individuals. However, as for consumer groups, consumption ideas show some common characteristics. Therefore, researchers can sort consumption ideas into different types based on various criteria.

Surveys demonstrate that urban residents' consumption ideas have been diversifying since the 1980s, because urban residents' personalities that were restrained in the Maoist era were released during the process of the consumer revolution in urban China. For example, after conducting surveys among urban residents in Heilongjiang province in 1988, He (1996) concludes there are six types of consumption among urban residents, distinguished by the motivation and the content of consumption activities. Another survey conducted among urban consumers in Beijing in 2000 shows that there are four types of urban residents regarding consumption: the pragmatic, the commercialized, the sociable and the conservative (Shen and Chen 2002). Zheng (2006) divides consumption ideas of urban people into 6 types: frugal, popular, material, for descendant, for achievements, for development. From these different kinds of classifications, with the development of China's market transition and the acceleration of globalization, there are many different consumer groups of urban residents. This diversity among urban residents' consumption ideas has become even more visible since the 1980s.

Regardless of the classification criteria, many surveys show urban residents' consumption ideas are diversifying, because consumer behavior is guided by new-consumption ideas. The following four types of consumption ideas are typically different from the traditional consumption ideas identified both in the literature and in case studies among urban residents thirty years ago. The four types are representative of the diversity of consumption ideas:

(1) *The Idea of Conspicuous Consumption:* This consumer group holds the idea of conspicuous consumption attaches importance to other people's reaction or evaluation towards their consumption. People in this group typically show off their wealth by "dressing in Pierre Cardin with Goldlion belt, driving a car such as Audi, or purchasing luxury goods such as

*Louis Vuitton*" (journalist, 36 years old). Others think such people are "overnight millionaires", and some media and consulting intelligence agencies declared that China has become the largest consumer of luxury goods in the world. Furthermore, luxury goods consumption in China has been increasing in recent years, even after the financial tsunami starting in 2008.

(2) *The Idea of Personalized Consumption:* This consumer group that holds the idea of personalized consumption would like to show their personalities through their consumption. They do not like to follow the others and have special aesthetic senses. They are willing to distinguish themselves from others to show their lifestyles through consumption. For example, even students on a university campus consciously avoid wearing "The Same Dress".

(3) *The Idea of Enjoyable Consumption:* This consumer group that holds the idea of enjoyable consumption pays much attention to comfort and enjoyment. The function of their consumption is to bring comfort and joy into their lives. Their life philosophy is light-hearted and perhaps hedonistic. They think that people should enjoy life while living in the world. Therefore, consumption takes priority in their lives.

(4) *The Idea of Credit Consumption:* Since China's credit consumption business in all commercial banks started after the People's Bank of China enforced a series of policies to encourage consumption in 1997 (Lou 2000), credit consumption has quickly developed. Urban residents are the primary practitioners of credit consumption in China. Nowadays, young urban people including students think it is common to take out loans when making big purchases, especially buying houses, and even in buying daily use goods. Credit consumption emerges as a strong challenge to the consumption idea that "savings have priority" in urban China, and has become more widely understood and acceptable in Chinese culture.

#### ***From Being a "Follower" to Being both Assimilated and Personalized***

Consumers are not only independent economic persons, but are also social persons at the same time. Therefore, the social factors and reference groups inevitably influence their consumer behavior. As individuals, consumers unconsciously feel the pressure from groups around

them. So their consumer behavior shows the common characteristics of other people. These are the “*follow consumer behavior*” under the guidance of common consumption ideas (Peng 1996: 147). The consumption process includes a “*follow-the-leader*” consumption phenomenon.

At the early stage of economic reform, the Maoist consumption idea that “*being modest in consumption*” still deeply influenced consumer behavior. Urban residents were afraid that policies would return, and if their consumption behaviors were too different from others they would be victims of unpredictable changes in policies. Consequently, urban residents preferred to keep unanimity with the masses on consumption. The “*follow-the-leader*” consumption idea was rooted among urban residents. As a woman (clerk, 59 years old) said: “*Who could dare to say that the policy would not go back to how it was before at the early stage of the reform? It was better to keep pace with the masses on consumption. Otherwise, you would become the victim of the changeable policy.*”

As reforms and a policy of openness progressed – promoting a gradual loosening of ideology – personalized consumption ideas appear and become much more obvious among urban residents. Today, the “*assimilated consumption*” idea and the “*personalized consumption*” idea exist among urban residents. Consumption of clothing is a case in point.

At the early stage of the reform, the blue and gray “*Chairman Mao suits*” in vogue at the late stage of the Cultural Revolution were still fashionable (Wang 2001: 188). From the early 1980s to the middle of the 1980s, bell-bottom trousers were once fashionable in the whole country. From the late 1980s to the early 1990s, tight trousers were the norm (Peng 1996: 196). During this period, the “*follower*” consumption idea in dressing among urban residents was distinct.

However, from the early 1990s, urban residents demanded both famous brands of clothes and embodied personalities through dress. The “*Consumption Survey in Urban China in 1998*”, conducted by the China Economic Monitoring and Analysis Center, shows that urban residents are quite different in choosing brands of clothes. The market share of each brand of clothes is very low. For example, among the top three famous shirt brands “*KAIKAI*”, “*HONGDOU*” and “*SANSAN*”, each captures less than 10% of the market share. Urban residents are willing to

choose better and more famous brands of clothes, but they differ in their choices. The recent trend of more and more retail stores of famous clothing brands emerging in urban China is another good illustration of the identity displaying and personalized consumption ideas that exist among urban residents.

At the early stage of the reform, the function of ideology was still very strong. The urban consumers who had higher income dared not to use their wealth to meet their own special consumption desire, but kept unanimity with the masses (Wang 2001: 188). With the further deepening of the strength of the reforms and opening up to the outside world as well as the further development of the commercial economy in China, the influence of ideology on consumption grows weaker and weaker.

As the income gap widened among urban residents, different consumer groups concomitantly emerged. These consumer groups have different preferences and pursuits in consumption. So consumption is stratified (Li 2002). But at the same time, urban residents can show their personalized consumption ideas under the condition that the supply of consumer goods and services is becoming abundant. Personalized consumption ideas exist not only in different consumer groups, but also in the same consumer group, especially in the middle and upper income consumer groups. The consumer behavior among the middle and upper consumer groups’ are quite different from each other. The “*follow*” consumption ideas are weakening (Li 2002). With the rapid progress of globalization, the urban residents, especially the youth (Wu 2008) have become more open to accept different ideas from other countries and the personalized consumption ideas are becoming much more obvious among urban residents.

### *From Subsistence to Self-development*

At the early stage of reform, urban residents’ consumption focused on subsistence. After the mid-1990s, urban residents’ consumption shifted to emphasize self-development. Table 1 of allocation of per capita annual living expenditures of urban households reflects this change.

Table 1 shows that the Engel’s Coefficient (the proportion of expense on food to the consumption expense) of urban households is quickly decreasing. It has been below 50% since 1994.

**Table 1: Per capita annual living expenditure of urban households (percentages)**

Year	Food	Clothes	Household commodities care	Health	Transportation and communications	Recreation, education and cultural services	Residence	Miscellaneous commodities and services
1985	52.25	14.56	8.60	2.48	2.14	8.17	4.79	7.01
1990	54.25	13.36	10.14	2.01	1.20	11.12	6.98	0.94
1992	52.85	14.08	8.14	2.48	2.64	8.82	5.96	4.76
1993	50.13	14.24	8.67	2.70	3.82	9.19	6.63	4.53
1994	50.00	13.69	8.82	2.29	4.65	8.79	6.77	4.37
1995	49.22	13.55	8.39	3.11	4.83	8.84	7.07	4.29
1996	48.59	13.47	7.61	3.66	5.08	9.49	7.67	4.42
1997	46.71	12.53	7.62	4.32	5.60	10.78	8.62	3.82
1998	44.48	11.10	8.24	4.74	5.94	11.53	9.43	4.55
1999	41.86	10.45	8.57	5.32	6.73	12.28	9.48	4.96
2000	39.18	10.01	8.79	6.36	7.90	12.56	10.01	5.17
2001	37.94	10.05	8.27	6.47	8.61	13.00	10.32	5.35
2002	37.68	9.80	6.45	7.13	10.38	14.96	10.35	3.25
2003	37.12	9.79	6.30	7.31	11.08	14.35	10.74	3.30
2004	37.73	9.56	5.67	7.35	11.75	14.38	10.21	3.34
2005	36.69	10.08	5.62	7.56	12.55	13.82	10.18	3.50
2006	35.78	10.37	5.73	7.14	13.19	13.83	10.40	3.56
2007	36.29	10.42	6.02	6.99	13.58	13.29	9.83	3.58
2008	37.89	10.37	6.15	6.99	12.60	12.08	10.19	3.72
2009	36.52	10.47	6.42	6.98	13.72	12.01	10.02	3.87
2010	35.67	10.72	6.74	6.47	14.73	12.08	9.89	3.71

Note: The table is constructed by researchers according to Almanac of China's Economy, from 1983 to 2011, Development Research Center of the State Council of the People's Republic of China.

The consumption structure of urban residents in China has fully transformed from simply having adequate food and clothing into a relatively comfortable consumption pattern during the mid-1990s. Table 1 demonstrates that consumption rate of "Food, Clothing, Household Facilities" has decreased by 16.16% from 1985 to 2010. Conversely the consumption rate of "Health Care, Transportation and Communications, Recreation, Education and Cultural Services" has increased by 20.49% in the same period.

Quality of life consumption is also seen in a new focus by urban residents on the safety of the food products they purchase. Choice experiments conducted by Ortega et al. (2011) and Zhang et al. (2012) indicate urban consumers are willing to pay upwards of 20% more for pork, milk, and cooking oil if those products possess food safety certifications and traceability characteristics. In his paper examining a large city situated in Liaoning province, Griffiths (2013) found urbanites paying more attention to the quality and safety of their food.

According to Maslow's hierarchy of needs, humans will develop requirements for higher lev-

el needs after meeting their lower level needs. Urban residents' essential material needs have been met. Therefore, their needs for esteem and self-actualization have emerged. Table 1 indicates consumption rates of "Recreation, Education and Cultural Services" are steadily increasing and the expenditure on these have become the second leading expenditure in the consumption structure from 1998 to 2006. After the "7 day long-holiday policy" was implemented, urban residents' per capita expenditure on travel totaled ¥708.3 in 2001, an increase of 4.4% compared to the prior year (China's Nation Bureau of Statistics 2002). Developing quickly is the trend toward travel spending and consumption. Therefore, consumption rates of "Transportation and Communications" have become the second leading expenditure in the consumption structure since 2007. These data indicate that consumption levels in urban China are rising, and a new type of consumption idea – spending money to relax and develop oneself – has emerged among urban residents.

Expenditures on household services are rapidly increasing. It increased over 3.5 times from

1992 to 1998 (Fan 2001: 20). Per capita expenditures on urban residents' household services was ¥45.9 in 2000 (Urban Social and Economic Survey Headquarters of China's National Bureau of Statistics 2001). This might be attributed to women working longer hours, increasing participation of women in the workforce, and a family's desire to spend more time in leisure activities instead of house cleaning or cooking. As well, it is more socially acceptable to hire household help today compared to many years ago. The researchers observed that urban residents are paying more attention to their psychological needs of self-esteem and self-actualization.

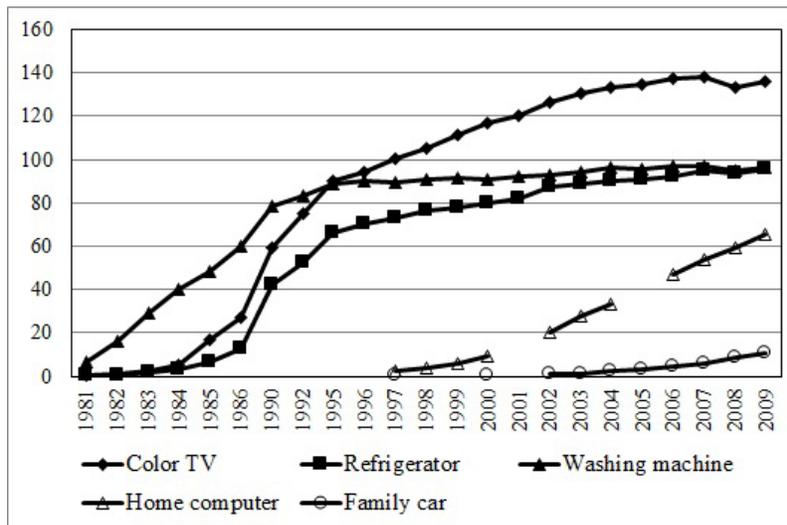
This need for self-fulfillment has started to take on a new dimension. Davis et al. (2012) conducted a focus group of Lanzhou citizens' reasons for going shopping. He found these urbanites shop for a variety of reasons: learning the "newest fashion trends and popular styles"; meeting friends and socializing; treating themselves after a hard day at work or in the face of troubles; alleviating boredom; and "appreciating beautiful products".

From the mid-1980s, a movement of "*Family Modernization*" arose as the country modernized its industrial base. Urban residents themselves were the driving motors of this movement

(Wang 1999: 262). The number of major durable consumer goods owned by urban households has been sharply increasing since 1985. The three major consumer items—color televisions, refrigerators, and washing machines—serve to demonstrate this new trend in China.

From Figure 1, the ownership rate of electrical home appliances among urban residents is very high, exceeding 50% as early as 1990. As Davis (2000) describes: "*consumer durables like washing machines and refrigerators that had previously been available to a minority with special connections became routine purchases.*" From 1997, almost every urban household had a color television, with many urban families owning more than one color TV. In 2009, the number of refrigerators owned per 100 households in urban China was 95.4, and the number of washing machines owned per 100 households in urban China was 96.0. The relative expenditure on ordinary household devices has been decreasing in recent years.

More and more urban households are acquiring computers, air conditioners, mobile phones, and even cars. Figure 1 shows that the average number of computers owned per 100 households was 65.7, and 10.9% of urban households owned cars in 2009. According to statistics from the



**Fig. 1. Consumer items owned per 100 households in urban China, 1981-2009**

*Note:* The figure is drawn by researchers according to Almanac of China's Economy, from 1983 to 2011, Development Research Center of the State Council of the People's Republic of China. Data of Home Computers and Cars Owned per 100 Households in Urban China was collected from 1997, but was not available for 1998, 1999, 2001 and 2005.

Ministry of Industry and Information Technology of the People's Republic of China, at the end of March 2013, China had 1.146 billion mobile communication service users. Almost every urban resident, including the elderly and children, owns one mobile phone, with some having two or more. Urban residents have since oriented their consumption toward newer versions of these goods, perhaps with new, advanced features, and expensive durable goods. These figures support the assertion that urban residents have placed much importance on their quality of life.

This transformation in consumption structure indicates that urban residents' consumption ideas have gradually shifted from subsistence to self-development.

## DISCUSSION

### The Main Characteristics of the Changes of Consumption Ideas in Urban China in the Last Thirty Years

#### *Epochal Features of Changes of Consumption Ideas*

A consumption idea is suitable for a certain level of productivity and it changes with the development of productivity. Herbert Simon thinks that the consumer's adaptability is very strong and consumer behavior mainly reflects the characteristics of the external environment (Zang 1994: 22). Because of different historical conditions, consumption ideas differ over time. Consumption ideas can be easily marked by epoch.

At the early stage of reform and opening, urban residents made efforts to meet their consumption desires. However, consumer goods were still in short supply. Administrative power continued to play an important role in the redistribution of goods. Therefore, urban residents mainly focused on articles for daily use. So subsistence consumption was the most important consumption idea among urban residents.

After 1982, the central government of China gradually loosened regulations on prices (Zang 1994: 61). For one, although China's economy began to develop rapidly, the disequilibrium of demand over supply still existed and China remained a seller's market. The price of consumer goods rose continuously. For another, with an increase in income, after paying for essential living expenditures urban residents began to accu-

mulate surplus income. Therefore, urban residents purchased more when they knew, or suspected that, prices were increasing because they were afraid prices would continue to rise. The more prices increased, the more urban residents bought. As a result, urban residents would often rush to purchase items (today we'd call this behavior "*hoarding*") from 1984 to 1988 (Fan 2000: 39). During this era, the consumption idea "*to buy when prices go up but not to buy when prices go down*" influenced urban residents tremendously.

With the deepening of reform, new measures for reform were continuously issued, such as the reform of housing monetization; consequently, the market as a force in determining quantity and price strengthened. This created increased uncertainty in social and economic circles. Although the income of urban residents continuously increased, expectations for future income and expenditures became much more uncertain. Urban residents' propensity to consume was dropping quickly and their propensity to save was rising from 1988 to 1997 (Fan 2000: 34). The consumption idea that "*savings have priority*" dominated urban consumer behavior once again.

With improvements in living standards, the Engel's Coefficient of urban households declined rapidly from the middle of the 1990s; it approached 35.67% in 2010. This indicates that urban residents entered a relatively comfortable consumption stage and were moving toward the stage of a rich life. The consumption structure of urban residents continually adjusts upward. The consumption focus of urban residents has transferred from daily goods and necessities to new areas of consumption – for example, to housing and transportation (Wang 2003). Urban residents have gradually changed their consumption ideas from emphasizing material consumption to self-development and personalized consumption ideas. Griffiths (2013) describes an Anshan (Liaoning province) urban professional family's affinity for novels written in English, percolated coffee, and their love of the "effects of coffee on the reading mind".

Meanwhile, credit consumption grew with the transformation of the consumption structure in urban China. Nowadays most urbanites know what credit consumption is and become the practitioners of credit consumption.

In recent years, urban residents are interested in improving themselves. Through the Inter-

net, they can access information to educate themselves about cultural and scientific topics in preparation for visiting those locations (Yin 2005). And with this new-found knowledge, urbanites make travels to China's remote regions filled with unique cultural and ethnic diversity to experience this life firsthand (Walle 2011).

Urban residents' consumption ideas are changing much more quickly than before. The advent of personalization and a focus on material, as well as intangible consumption, can be marked by epoch.

### ***Contradictions of Changes in Consumption Ideas***

A market economy gives consumers more choices. When consumers have more opportunities to choose, they also encounter a lot of contradictions. For example, urban residents need to decide between consuming or saving, "following-the-leader" or personalizing their consumption, and so forth. Therefore, there are contradictions during the process of changing consumption ideas among urban residents, such as rational and irrational consumption ideas. But a typical contradiction is between the traditional consumption idea that "savings have priority" and the idea of credit consumption.

After the reform and opening policy, many new consumption ideas emerged as possibilities for urban residents. However, the core of the traditional consumption idea, that "savings have priority" has not changed. In 1978, the balance of savings deposits of urban residents was only ¥1.98 billion, but it was up to ¥738.35 billion in 1996. The average rate of increase was 38.95% from 1978 to 1996, much faster than the average rate of salary increases during the same period (Wang 1999: 102). Savings was the primary manner for urban residents to handle their surplus income at that time.

Other countries' experience show that patterns of consumption will move from savings consumption to credit consumption when residents' consumption focus turns to items like housing and transportation. Only in this way can countries keep a balance between production and consumption (Fan 2000: 49). Urban residents in China have changed their consumption focus, but the patterns of their consumption still emphasize savings consumption. Although more and more urban residents approve of credit

consumption, in reality the proportion utilizing this is relatively low. Contradictions between the traditional consumption idea that "savings have priority" and the credit consumption idea appear.

There are several reasons why the contradictions between the two opposite consumption ideas occur in urban China. Apart from the imperfections of the credit consumption system itself, these reasons are described next. First, a consumption idea is an intangible cultural element and the transition of intangibles is relatively slower compared with the transition of material culture. There is a consumption idea that "savings are for aging" in the traditional consumption culture and it still deeply influences urban consumer behavior. Second, China has changed the old welfare system but has not set up a new appropriate social security system. The government no longer offers all welfare services, such as employment welfare, medicine and medical service, housing, and education for free to urban residents. As for urban residents, the cost of economic reform is increasing and the burden of their present and future expenditure is aggravated. Also, employment options are limited and urban residents' rates of income increases are slowing down (Lou 2000). Urban residents' expectations for future income are much more uncertain. To some extent, the changes of social institutions caused by the market transition strengthen urban residents' propensity to save. This is not unlike rural residents' concerns about their financial future. Having an alternate plan for funding their future needs and erring on the side of financial caution is a theme among rural people (Luo 2012). Finally, while the social security system reform strengthens urban residents' propensity to save, the government has implemented policies to encourage residents to consume, such as credit consumption.

In the course of changes in urban residents' consumption ideas, contradictions appear between these different consumption ideas. However, contradictions are not absolute; they coexist among urban residents at the same time. This phenomenon reflects the complicated changes in urban residents' consumption ideas during the past thirty years.

### ***Differentiations of Changes in Consumption Ideas***

A consumer is not only an economic person, but also a person who has a special social status

and group identity (Wang 2001: 52). Different consumers have different identity feelings, so their consumption ideas vary from one another. During the process of changing consumption ideas, urban residents' ideas vary according to their social class, age group, and geographic region.

Consumer behaviors are influenced by social class. Generally speaking, consumption ideas of the same social class have much similarity and the consumption ideas of different social classes differ (Peng 1996: 155). As the income gap of urban residents widens, there appear upper, middle and lower social classes among urban residents (Lu 1997; Li 2002). The consumption situation and character of the social classes are quite different. Unlike at the beginning of economic reform, differentiation of today's urban residents' consumption ideas is fairly obvious among different social classes and appears related to income level.

Additionally, consumption ideas are influenced by age; there are clear distinctions of consumption ideas among various age groups. For instance, different generations and age groups' attitudes toward credit consumption differ widely. Young urban residents between the age of 21 and 35 are the group most accepting of credit consumption. Similarly, the highest rate of ownership of mobile phones among urban residents belongs to those in the age range of 21 to 35 years. These figures suggest that young urban residents, relatively speaking, possess more open consumption ideas. Griffiths (2013) observed that in Anshan, younger, more highly educated professionals with larger incomes demonstrated more individualized consumption.

Consumption ideas are certainly influenced by the character of the geographic region. China is a sizeable country and there are significant cultural and economic distinctions among her the many regions. In the process of transitioning to a market economy, income levels, the degree of reform and opening, and the character of different regions' influence contribute to variations in urban residents' consumption ideas. For example, urban residents in high-income regions spend much more money on "housing, transport, post and communication services, recreation, and education and cultural services" than urban residents in low income regions (Chen and Yi 2002). Urban residents in high-income regions emphasize more self-development and actualization consumption and they more easily accept

credit consumption. Because their consumption ideas differ, urban residents in various large cities have different consumption abilities and consumer behavior.

The differentiations caused by market transitions will lead to diversity in urban residents' consumption ideas. Like changes in other human values, the path of change in consumption ideas is complicated. Consumption ideas change neither at same time and to the same degree nor in the same direction. Differences exist among various regions and groups as their consumption ideas change. Even in the same geographic region or group, changes in consumption ideas diverge. These differentiations of consumption ideas will exist among urban residents for a long time.

#### *Induced Changes in Consumption Ideas*

As a kind of representation of values, changes of consumption ideas should be a result of the social development of the economy and culture; the process of change should be a kind of spontaneous transition. But in China, the change process in urban residents' consumption ideas is a kind of induced transition. Other factors influence the transition of consumption ideas, such as policies and public opinion.

The reform and opening policy is an external impact on the consumption ideas of the Maoist era. As to the changes of consumption ideas, this policy attempts to persuade urban residents to consume in ways very different from the culture in the Maoist era. Whether urban residents' consumption ideas change effectively depends on the characteristics of the message itself.

The process of market transition in China is guided by the government and it is a reformative transition (Editorial Department of Sociological Research 2003). The government can influence the social economic environment and people's values through policies. As a kind of persuading message for changing values, the reform and opening policy has been carried out gradually and systematically, yet imperfectly. Therefore, urban residents' consumption ideas change gradually, continuously, systematically, but not completely. Residents' consumption ideas can sometimes even be reversed by government policies.

Among them, the reform of social security policy is the strongest when it comes to influencing changes in urban residents' consump-

tion ideas. At the early stage of the reform, urban residents' income increased quickly, but the work unit security system that offered urban residents significant social welfare (housing, education, health care) for free did not change. There was no risk in housing, medical services, and so forth. Under the condition, urban residents' higher levels of disposable income allowed them to pay more attention to real consumption. Their propensity to consume was relatively high.

But with deeper reforms to the social welfare system, costs originally paid by the government shifted to individuals – or in some cases, was shared among individuals, the collective (work unit), and the government. The reform of the social security system increases not only the uncertainty of expenditure of urban residents, but also the uncertainty of future income. In this situation when the old welfare system has been dismantled and the new social security system still remains to be developed, urban residents' propensity to consume has declined. Variations in the social security system caused by changes in social welfare policy have strongly affected urban residents' consumption ideas (Fan 2001: 354). Therefore, the traditional consumption idea that “*savings have priority*” is strengthened by the changes to the social welfare policy.

In China, under the influence of ideology, the strength of public opinion is quite high. Leading public opinion promoters influence people's values through the public media. In the early stage of economic reform they continued to praise frugality and limited consumption; urban residents' consumption ideas continued to emphasize thriftiness.

In the mid- and late 1980s, leading creators of public opinion dismissed some new consumption ideas as “*spiritual rubbish*” and praised traditional consumption ideas highly in terms of morality, political attitude, and ideology. Under this situation, urban residents consumed cautiously.

With further deepening of the reforms, leading public opinion makers have become more lenient. The mass media publicized and advocated a western consumerism model and lifestyle. Now, values from developed countries – one impact of globalization – influence urban residents' consumption ideas. Interest in consuming luxury goods – usually expensive Western brand name items – has increased through the years. The conspicuous consumption ideas offered by these products say to the onlooker that the wearer of these clothes and accessories or driver of the car belongs to a certain social group (Li et al. 2011).

Consumers' consumption ideas are formed throughout the course of an individual's socialization, which is deeply affected by external social factors (Wang 2001: 7). Consequently, during the process of market transition the changes in urban residents' consumption ideas are influenced by external social factors, such as policies and public opinion.

## CONCLUSION

Market transition in China caused by the reform and opening policy is not only a transformation of the economic system and economic property rights, but also a transformation of the political and social system. During the process of market transition the mechanism of allocation and distribution of goods changed from redistribution to markets, and ordinary people have many more opportunities for consumer choice. During the process of the market transition there has been a consumer revolution in urban China. Urban residents have more consumption choices and they have moved from passive consumption to active consumption. Consequently, urbanites' consumption ideas have changed in the last thirty years. The changes of urban residents' consumption ideas are wide and complex, shaped by many factors. The changes are imbedded in the whole society, and reflect the process of market transition and are the important embodiment of the changes of social values.

## FOR FUTURE STUDIES

Based on the findings and discussion of the paper, the following recommendations were formulated to the future studies:

Consumption ideas are extremely important to the lives of Chinese people as well as the central government. The researchers believe that a longitudinal study would add greater depth and understanding to the often abstract and nebulous concept of changing consumption ideas as modernization sweeps across China.

Based on the facts that consumption ideas of urban residents in China have changed as a whole, future studies could examine consumption ideas of different groups. Although China is in the grips of great changes, some people will have more choices than others, and some will be left behind and not able to reap the fruits of change. For example, when it comes to transportation choices of China's immense floating population (migrants from rural areas to urban ar-

eas), some people can fly and many more can only travel by train with hard seats. These are the consequences of uneven shifting consumption ideas. Future studies could bring forth an amendment of current policies or measures, such as enhancing the social security system and the consumption environment.

#### ACKNOWLEDGEMENTS

The researchers thank the editors, reviewers and Professor Judy Maynard for their critical review comments and constructive suggestions for revision of the paper. This paper is supported by the Fundamental Research Funds for the Central Universities (No. 13LZUJBWZY059) and MOE (Ministry of Education in China) Project of Humanities and Social Sciences (No. 14YJC840028).

#### REFERENCES

- Chen F 1997. Studying the consumption structures regular pattern of urban resident in the eighth five-year plan period. *Consumer Economics*, 5: 36-39.
- Chen JH, Ning YY 2012. On consumption ideas and behaviors of college students. *Ideological and Political Education Research*, 28(06): 120-123.
- Chen L, Yi D 2002. Study on the regional differences of private consumption in urban China. *Commercial and Trading Economics*, 10: 12-14.
- Chen X 2002. On the updating of consumption ideas. *Journal of Chongqing University of Posts and Telecommunications (Social Science Edition)*, 1: 56-59.
- Davis D 2000. *The Consumer Revolution in Urban China*. Berkeley: University of California Press.
- Davis L, Peyrefitte J, Hodges N 2012. From motivation to store choice: Exploring northwest Chinese consumers' shopping behavior. *International Journal of China Marketing*, 3: 71-87.
- Development Research Center of the State Council of the People's Republic of China 1983-2011. *Almanac of China's Economy (1983-2011)*. Beijing: Almanac of China's Economy Press.
- Dong YL, Zhang Q 2011. The empirical study on consumption attitudes and consumer behavior. *Commercial Research*, 8: 7-10.
- Editorial Department of Sociological Research 2003. The latest report on sociology in China: 2002. *Sociological Research*, 2: 1-14.
- Fan J 2000. *Private Consumption and Economic Development in China*. Beijing: China Planning Press.
- Fan J 2001. *The Changing Tendency of Private Consumption Structure in Urban and Rural China*. Beijing: People Press.
- Griffiths M 2013. *Consumers and Individuals in China*. London: Routledge.
- He M 1996. The system model and empirical analysis of consumption life. *Sociological Research*, 5: 111-119.
- Kong FL 2011. On consumption ideas of urban elderly. *Theory Research*, 6: 90-92.
- Li G, Li G 2012. Luxury fashion brand consumers in China: Perceived value, fashion lifestyle, and willingness to pay. *Journal of Business Research*, 65(10): 1516-1522.
- Li YH 2002. The analysis of the consumer behavior under the buyer market. *Commercial and Trading Economics*, 1: 45-48.
- Lou S 2000. Study on expanding domestic demand and developing consumer credit. *Commercial Economics*, 6: 70-76.
- Lu H 2002. Rising of China's Consumer Culture and Social Differentiation. In: China's Sociological Association (Eds.): *The Collections of Papers Presented at the Annual Meetings of China Sociological Association, No.1, 2000, Nanjing*. Beijing: Social Science Document Publishing House.
- Lu J 1997. A research into urban consumption patterns in China. *Consumer Economics*, 1: 30-34.
- Luo Y 2012. Making sense of good life: Local modernity from a traditional industrial-commercial region in southern China. *International Journal of Business Anthropology*, 3(1): 82-101.
- Nee V 1989. A theory of market transition: From redistribution to markets in state socialism. *American Sociological Review*, 54(5): 663-681.
- Ortega DL, Wang H, Wu L, Olynk N 2011. Modeling heterogeneity in consumer preferences for select food safety attributes in China. *Food Policy*, 36(2): 318-324.
- Peng H 1996. *Sociology of Consumption*. Tianjin: Nankai University Press.
- Qu GZ, Shao JH 2007. The empirical study on the relationship between consumption concept and consumption behavior. *Journal of University of Science and Technology Beijing (Social Sciences Edition)*, 23(2): 29-32, 44.
- Shen Q, Chen HR 2002. The four types of consumers. *Market and Consumption*, 6: 54-56.
- Sun X, Huang Q 2001. Consumption idea and expanding domestic consumption demand. *Journal of Zhongnan University of Finance and Economics*, 4: 113-115.
- Tian G 2014. Business Anthropology in China. In: RM Denny, PL Sunderland (Eds.): *Handbook of Anthropology in Business*. Creek, CA: Left Coast Press, pp. 556-570.
- Urban Social and Economic Survey Headquarters of China's National Bureau of Statistics 2001. *The Statistical Year Book of Prices in China and the Income and Expenditure of Urban Households 2001*. Beijing: China Statistics Press.
- Walle Alf 2011. Marketing equitable ethnic cultural tourism in China. *International Journal of China Marketing*, 1(2): 57-71.
- Wang N 2001. *Sociology of Consumption—An Analytic Perspective*. Beijing: Social Science Document Publishing House.
- Wang W 2003. The characteristics of the consumable market in 2002 and the prediction in 2003. *China Price*, 3: 68-72.
- Wang X 1999. *Housing Consumption and Consumption Structure of Urban Residents in China*. Beijing: Xueyuan Press.
- Wu CP 2008. Reform and opening up 30 years and the changes of youth's consumption ideas. *China Youth Study*, 1: 17-20.

- Yang G, Lan D 2000. Abandoning traditional consumption ideas to develop China's economy. *On Economic Problem*, 3: 12-15.
- Yin X 2005. New trends of leisure consumption in China. *Journal of Family and Economic Issues*, 26(1): 175-182.
- Zang H 1994. *The Analysis of China's Consumption Function*. Shanghai: Shanghai Sanlian Book Shop and Shanghai People Press.
- Zhang C, Bai J, Wahl T 2012. Consumers' willingness to pay for traceable pork, milk, and cooking oil in Nanjing, China. *Food Control*, 27(1): 21-28.
- Zhang PS, Zhu PH 2009. Housing consumption idea and its effect on economic society. *Statistics and Decision*, 1: 139-140.
- Zheng HE 2006. *Social Transformation and Consumption Revolution*. Beijing: Peking University Press.