

The Impact of Chanel Brand Heritage on Trust and Loyalty Among Chinese Female Luxury Consumers

Xin Weng^{1,a,*}

¹*Steinhardt School of Culture, Education, and Human Development, New York University, New York City, New York State, 10012, The United States*

a. xw3581@nyu.edu

**corresponding author*

Abstract: With the rapid development of the global luxury market, brand heritage is becoming increasingly important in shaping consumer perceptions of luxury value and loyalty. This study explores the impact of Chanel's brand heritage on the trust and loyalty of Chinese luxury women consumers. As a leading brand in the global luxury industry, Chanel has a long history of heritage, classic product design, and unique brand culture. This study examines how brand heritage affects different dimensions of luxury value perception, including emotional, economic, functional, and social value. The relationship between brand heritage and luxury value perception is explored in depth by analyzing the history of brand heritage of the luxury brand Chanel and the female consumers in the Chinese market. The findings of this study contribute to an understanding of how brand heritage shapes consumer loyalty in the luxury market and provide managerial insights for both traditional heritage brands and emerging luxury brands seeking to establish a heritage-based value proposition.

Keywords: Luxury Brand Chanel, Brand Heritage, Consumer Loyalty, Chinese Luxury Market.

1. Introduction

Chanel, founded in 1913, is a globally recognized luxury fashion brand founded by Gabrielle 'Coco' Chanel in Paris, France. As the driving force behind the dramatic changes in women's clothing after the First World War, 'Coco' Chanel created the brand as a fashion designer to push forward innovative ideas on dressing styles. Women's clothing was given a sporty, casual aesthetic rather than the restrictive corset look typical of the time. During this period, Chanel has always stood for distinctive women's fashion, remaining at the forefront of the luxury market with its adherence to craftsmanship, attention to detail, and brand heritage. The brand is known for its tweed suits, quilted handbags, and No. 5 perfumes. Starting as a clothing company, it has expanded its product range to include haute couture, perfume, jewelry, and cosmetics. Carrying a long and illustrious history, the brand has been synonymous with luxury, elegance, and timeless fashion with its distinctive double C logo.

In the Chinese market, Chanel is a mainstream luxury brand for many female consumers. As one of the fastest-growing luxury markets in the world, China accounts for more than a third of the global luxury market. In recent years, there have also come significant luxury brands' first-quarter sales updates showing very different sales performances in mainland China. According to Bain & Company's 2023 report, China's luxury market is expected to expand [1]. Moreover, Chanel has also

indicated that their revenue for 2023 is up 16% year-on-year to \$19.7 billion, with double-digit percentage growth in Asia and China contributing a significant share of sales. This proves Chanel's popularity among middle and upper-class Chinese consumers and its display of elegance and social status symbols.

For Chinese female luxury consumers, brand heritage is critical in their purchasing decisions. The history of a brand, the continuity of its culture, and the stories behind its products all enhance consumers' trust in the brand to a certain extent and further cultivate brand loyalty. With its unique brand heritage, Chanel has successfully won the favor of Chinese female consumers and maintained a unique advantage in the highly competitive luxury market.

The significance of this study is that by analyzing the impact of Chanel's brand heritage on the trust and loyalty of Chinese luxury female consumers, it provides strong support for the brand management and marketing strategies of luxury brands in the Chinese market and also provides a reference for other luxury brands on how to use brand heritage to build consumer loyalty.

2. Literature Review

Brand heritage is more than just the accumulation of history; it is an integral part of a brand's identity, and the study by Dimitrova et al. identifies four dimensions of luxury value that brand heritage contributes to consumers' perceptions (emotional, economic, functional, and social). By emphasizing their heritage, luxury brands can enhance their credibility and authenticity. For example, the brand heritage of luxury brands such as Louis Vuitton and Ralph Lauren directly impacts all four dimensions of luxury value perceived by consumers, making them more convinced of the brand [2]. Meanwhile, using a structural modeling approach, Wuestefeld et al. examined the relationship between the dimensions of perceived heritage value and their impact on consumers' perceived value, intentions, and behavior. This literature similarly highlights that brand heritage significantly impacts a brand's perceived economic, functional, emotional, and social value, thus influencing the consumer's overall perceived value [3]. For Chanel, brand heritage, including the legend of founder Coco Chanel and iconic products such as the classic Chanel No. 5 perfume, enhances brand reliability.

In the Chinese market, consumers associate luxury brands with social status and thus buy more luxury brands to enhance their social status. Research reveals the growing trend of digitalization and domestic brand preferences in recent years. It suggests that Chinese consumers are more inclined to buy luxury brands that enhance and demonstrate their social status. The importance of building an online presence and implementing three marketing strategies to increase demand and sales of luxury brands in China is suggested for Chinese luxury brands [4]. Meanwhile, Zhou also mentioned in his research that the desire for luxury goods drives the Chinese luxury market. Young and rich people, especially those influenced by Confucian values, social status, and desire for high-quality products, are more inclined to buy luxury brands with historical heritage [5]. This same idea is argued in the literature by Liang et al. Chinese consumers' perceived value of luxury goods encompasses social status value and herd value [6].

Luxury goods are also examined in terms of sales strategies. In their study, Schroeder et al. examine how luxury brands connect with consumers through cultural heritage strategies [7]. At the same time, Dion et al. examined how luxury brands sanctify their heritage shops, creating a sense of magic and exclusivity through rituals, injunctions, and controlled access to cultivate their brand value proposition [8]. Seo et al. argue that luxury brands have become a particular form of branding that conveys unique socio-cultural and personal meanings to their followers—various characteristics and dimensions of a brand shape consumer perceptions of luxury brands [9]. Other scholars have also studied consumers' purchase and attitudinal loyalty in the context of brand loyalty, linking it to brand and purchase volume. Where brand value and differentiation are factors that consumers focus on

when purchasing a brand, brand trust and brand influence together determine purchase and attitudinal loyalty [10].

All the above studies have examined the influence of brand heritage on luxury consumption and the Chinese market in general. However, few scholarly studies have explicitly focused on Chinese female consumers' influence on luxury brands' consumption. More in-depth research is needed on specific groups and brands. This research could explore the loyalty and trust of Chinese female consumers towards the heritage of the representative luxury brand Chanel.

3. Methodology

This study explores the impact of Chanel's brand heritage on the trust and loyalty of Chinese female luxury consumers. In order to achieve this objective, a quantitative research methodology was used to collect relevant data through an online questionnaire. The design and implementation process of the study, as well as the data processing methods, are described in detail below.

3.1. Sample Selection and Target Group

The target group of this study is Chinese female luxury consumers who have also shopped and have some knowledge of Chanel's products. The age range of the respondents is set to be unlimited and mainly mature luxury goods buyers to ensure the diversity and breadth of the data. The sample size was planned to be between 50 and 80 consumers to meet the data needs of the preliminary study. Sample selection was based on a non-probability sampling method, with voluntary participation mainly through social media platforms to ensure a representative sample.

3.2. Data Collection Tools and Platforms

This study used an online questionnaire as the data collection tool, distributed through the widely used questionnaire platform in China, 'Questionnaire Star.' The use of this platform helps to increase the breadth and efficiency of the questionnaire data collection. The questionnaire was mainly distributed through social media platforms such as WeChat and Weibo. This was done to ensure that the target audience could be reached with a wide variety of data, given the high frequency of social media platforms used by luxury consumers.

3.3. Questionnaire Design

The questionnaire of this study was designed with 14 questions, which dealt with the basic information of the participants such as age, income, frequency of purchasing luxury goods, perception of the brand and history of the brand heritage, as well as the assessment of trust and loyalty to the brand. The questions mainly used multiple choice options with a Likert 5-point scale. To ensure relevance to the research topic. Data collection will last for a fortnight. The data from the research questionnaire will be analyzed primarily using the demographics of the respondents.

4. Results

This study aims to explore the impact of Chanel's brand heritage on the trust and loyalty of Chinese female luxury consumers. The data collected through questionnaires yielded the following key results:

4.1. Sample Characteristics

The primary respondents of the questionnaire are Chinese women in the age range of 20-45, with the majority of women aged 26-30, accounting for 30.86%. The occupational distribution of the

respondents was mainly 45% freelancers, 23.75% professionals (e.g., doctors, lawyers), 17.5% students, and 13.75% business managers.

The survey finally collected 81 copies, and the sample mainly consisted of female consumers. Since the questionnaire is set to automatically skip to the end if a male answers the questionnaire, the questionnaire interviewers were all female. In terms of age distribution, the 20-45 age range dominates, with women aged 26-30 accounting for 30.86%, followed by those aged 31-35 accounting for 23.46%. This age distribution is highly consistent with the core consumer group in the current luxury market, providing a reliable representation of the research results.

In terms of occupational distribution, the survey found that freelancers are the most prevalent, accounting for 45% of the respondents, followed closely by professionals (e.g., doctors and lawyers) at 23.75%, and lastly by business managers and students at 13.75% and 17.5% respectively. The occupational composition of the respondents reflects the diversity of Chinese female luxury consumers. It is worth noting that the group with a monthly income of less than ¥10,000 accounted for 45% of the respondents, followed by those with a monthly income of ¥10,000 - ¥20,000, accounting for 32.5%, which also shows that the respondents have a certain degree of financial strength to buy luxury products.

4.2. Luxury Purchase Behavior

The survey indicates that a significant portion of respondents frequently purchase luxury goods. In the past year, 60% of participants bought luxury items 1 to 2 times, 23.75% purchased them 3 to 5 times, and 13.75% made more than five purchases. Only 2.5% reported never having bought luxury goods. This data underscores the target group's strong demand and spending power in the luxury market.

When examining product preferences, there is a noticeable trend towards diversification. Among the most purchased Chanel products, respondents equally favored handbags, fragrances, accessories, apparel, and beauty items, with preferences ranging from 45% to 55%. Beauty products emerged as the most popular category, comprising 56.25% of the choices. This variety in product preferences demonstrates the broad appeal of the Chanel brand across different categories.

4.3. Brand Heritage Perception and Impact

The survey results regarding brand heritage awareness are promising. Respondents were asked to rate their knowledge of the history and heritage of the Chanel brand on a scale of 1 to 5. Notably, 52.5% of respondents selected a score of 5 (indicating strong awareness), while 21.25% chose a score of 4, another 21.25% selected a score of 3, 7.5% chose a score of 2, and only 3.75% rated their knowledge as a 1 (indicating no knowledge at all). This high level of awareness reflects Chanel's effectiveness in conveying its history and values. Respondents learned about Chanel's history and heritage through multiple channels. 61.25% of respondents learned about Chanel primarily through social media (e.g., Weibo, TikTok), 50% from recommendations from friends or family members, 52.5% from traditional media, and 48.75% from the brand's website.

4.4. Impact of Brand Heritage on Purchase Intention, Trust, and Loyalty

The survey results highlight the significant influence of brand heritage on consumer behavior. Nearly 48.75% of respondents associate Chanel's products strongly with its brand heritage. Additionally, over 50% of participants identified key elements that represent Chanel's brand heritage, including its high-end brand positioning, the personal story of its founder, Coco Chanel, as well as its classic products and iconic logo.

Based on their perceptions of Chanel's brand heritage, 63.75% of respondents indicated a high likelihood of repurchasing Chanel products due to their trust in the brand. This strong intention to repurchase underscores the critical role that brand heritage plays in guiding consumer decisions. Furthermore, 46.25% of respondents believe that Chanel's brand heritage has enhanced their trust in the brand, while 51.25% reported that they would recommend Chanel products to others based on this heritage.

When asked to rate their loyalty on a scale from 1 to 5, 36.25% of respondents chose 5, 35% chose 4, 13.75% chose 3, 10% chose 2, and 5% chose 1. This high level of loyalty further confirms the importance of brand heritage in nurturing long-term customer relationships.

To sum up, the survey results clearly demonstrate that Chanel's brand heritage positively impacts the purchasing behavior, brand trust, and loyalty of Chinese female luxury consumers. Brand heritage enhances consumers' perception and emotional connection to the brand, directly influencing their purchasing decisions, willingness to recommend, and long-term loyalty. These insights can be invaluable for luxury brands' marketing strategies in the Chinese market.

5. Discussion

This study delves into the impact of Chanel brand heritage on the trust and loyalty of Chinese female luxury consumers, and the findings reveal several key findings that warrant further discussion and analysis.

According to the study's findings, Chinese luxury consumers have an unexpectedly high awareness of the Chanel brand heritage. The average score of respondents' knowledge of the history and heritage of the Chanel brand reached a high level. This result can be primarily attributed to the brand's effective communication. First and foremost is brand storytelling communication, where Chanel incorporates the rich historical story of the brand's founder, Coco Chanel, into the brand's marketing narrative. The compelling background and historical narrative build brand values that resonate with consumers. Secondly, Chanel's activity on social media platforms has led to more people becoming familiar with the brand. Social media campaigns and online content are more prevalent in China, and Chanel has capitalized on this to promote the brand in China. Lastly, Chanel's brand values, heritage, and luxury brand image align with the values and consumerism promoted by contemporary Chinese female consumers.

Excellent brand heritage helps to enhance brand image and value and creates an emotional connection with consumers. Chanel's high level of heritage awareness has helped create a more mature and prestigious brand image in the Chinese market. It also helps consumers associate product value with the brand's long history and cultural significance, promoting a stronger emotional bond between consumers and the brand, which is a critical differentiator in the highly competitive luxury market.

However, there are also potential challenges to the high heritage perception of luxury goods. First, overemphasizing Western heritage culture may challenge some female consumers who prefer local Chinese consumers. Second, brands are under much pressure to maintain their heritage. Luxury goods must maintain a balance between heritage and modern trends while relying on heritage and innovation to attract consumers. Chanel could consider several strategies to address these challenges and further capitalize on the perceived strengths of heritage. First, more and more localized consumer products and services should be developed to incorporate Chinese cultural values based on the brand's heritage. Second, partner with Chinese influencers who authentically communicate the brand's heritage to spread its values to their fan bases. Finally, innovate and develop products while retaining products with heritage significance.

Another critical study finding is the positive correlation between consumers' perception of Chanel's heritage and their loyalty to the brand. Consumers will assign higher value and quality to a

rebranded Chanel based on their perception of the brand. They are likely to repurchase Chanel products while scoring higher loyalty to Chanel on average. At the same time, knowing the brand's history makes consumers feel part of a unique group, which fosters loyalty. The positive relationship between brand heritage and consumer loyalty has a significant positive impact on Chanel. Higher loyalty means higher customer retention, product value, and the ability to recommend Chanel to others, creating powerful word-of-mouth marketing.

However, Chanel also needs to be aware of the potential negative impact of brand heritage. Consumers loyal to Chanel because of the brand's heritage are likely to resist product innovations that deviate from the brand's heritage, as they prefer classic styles and the historical value behind them. Chanel could consider adopting an enhanced loyalty program, such as hosting exclusive heritage-themed events. When designing new products, communicate how a new product or initiative connects to the brand's heritage.

6. Conclusion

This study reveals the critical role of brand heritage in the luxury industry by exploring the impact of Chanel's brand heritage on the trust and loyalty of Chinese female luxury consumers. Chanel has established a strong brand image and consumer trust through its long history, classic design language, and cultural accumulation. In China, a market with growing luxury consumption, brand heritage has become an essential factor influencing consumers' purchasing decisions. By communicating its brand heritage and promoting classic products while offering innovative product designs, Chanel has further strengthened the emotional connection of Chinese female consumers to the brand and significantly increased consumer loyalty. The study finds that for luxury brands, whether traditional or emerging, there is a need to balance heritage and innovation, strengthen the brand heritage through various ways, and focus on localizing cross-cultural communication. As the global luxury market continues to evolve, luxury brands need to understand and capitalize on heritage as a strategic asset to cultivate consumer loyalty and build luxury brands with longevity.

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