Factors Influencing the Consumption of Art Product: Evidence from China

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Abstract. With the development of economy and popularization of culture, the art market in China is also booming. However, even though the art market generates a lot of economic benefits, it also reveals some shortcomings as well as limitations. Therefore, this study aims to find out the factors which may impact the consumption of the Chinese art market through an in-depth study of the art market. This will help the art market to develop better, and also help art enterprises to better understand the consumers, so as to formulate marketing strategies in a targeted manner. In this study, a questionnaire survey was used to collect data, and the data were transformed into quantitative form for easy analysis. In addition, linear regression model was constructed to investigate the relationship between the influencing factors and the amount of artwork consumption. The final results of the research show that age (AG), knowledge of artwork (KA) and attitude towards expensive artwork (EX) could significantly affect the amount of artwork consumption, while gender (GE) education background (EB) and income (IN) do not significantly affect the amount of artwork consumption.

Keywords: Art products, Consumer Behavior, China's Art Market

1. Introduction

With the rapid development of the economy, people's living standards and consumption levels are also increasingly improving. Among all the consumption, such as daily consumption, real estate consumption, and many others, art is a type of special product. Moreover, the artistic value of art product could meet people's aesthetic needs and has commercial research value of huge consumption amount. Consequently, this type of product has been widely concerned by people. Adapted from Analysis of the Art Market and Art Consumption Behaviour [1]. As a country with large population, Chinese art market has done well. According to the data from local bureau of movies, the annual box office of mainland China's film market in 2022 will be RMB 30.067 billion.The development of Chinese art market began in 1978, the policy of reform and opening up not only awakened the vitality of the market, but also inspired the Chinese people's ingenuity burst, which led the art market begin to sprout. In the 1990s, the auction of cultural relics resumed, which further promote art fairs, galleries, antiques and other markets began to thrive. With the exchange of artworks as commodities becoming more and more frequent, artists are involved in the market operation mechanism, which makes people gradually realize that a great era of art consumption is

emerging. Therefore, based on the cultural value and economic value of art products, the analysis of consumption factors of art products is meaningful. This research topic plays an important reference role in the development of art products enterprises, and could provide marketing ideas for enterprises, thereby stimulating new strategic deployment of enterprises, helping enterprises to understand the market situation and consumer behavior of art products, and then developing the art industry rapidly.

At present, there are few research topics on the consumption of art products, as the data may be difficult to obtain, which means that there is a certain research blank and lack of information. However, compared with other countries, China's cultural and artistic heritage is relatively rich, which could provide a huge support for the effectiveness and reliability of future research. Due to the huge economic value and commercial potential of the Chinese art product market, the ultimate goal of this study is to find out, improve and fill the market loopholes and shortcomings of art products through research. Moreover, this paper also expects to reduce the obstacles and restrictive factors in the development of the art product market, and helps the rapid development of enterprises and the market.

The rest of this article is organized as follows. The first part is the research background, which includes the development trend and potential problems of the art product market. The second part is the literature review, which integrates the research results of people before the art product market. The third part is the discussion, which introduces the the collection of data, the models and theorems used in the analysis of the data, and the explanation of the empirical results. The final part is the conclusion, which concludes this paper.

2. The research related to art marketing

2.1. Benefits of art

In much recent management research, numerous insights have been published explaining the benefits of arts-based initiatives on business processes and outcomes [2-6]. For example, with the aim of conducting more in-depth theoretical research, Meisiek and Barry [3] and Estesa et al. [7] study focuses on addressing research questions related to how marketers can utilize art to create value for the consumer, as well as the company and the product. The main questions they examined were how the artwork in an advertisement affects the perceived price of that product, and whether brand influence and product type play a moderating and neutralizing role in that influence. Estesa et al. [7] build conceptual models as well as incorporate questions examining the value of art in organizational management and marketing into the experiments.

2.2. The relationship between art and management

Apart from the research mentioned above, in recent years, both art and management have been mutually reinforcing [2]. Art-based management methods have emerged as a result of the suspicion that traditional management methods are inadequate to deal with the increasing complexity of the modern business environment. More so, thanks to the addition of art, it is possible to deal with this complexity in a more dynamic and innovative way [2,5,8,9]. Taylor and Ladkin [6] states that the arts can make four contributions to management within an organization: firstly, by transferring artistic skills to management activities; secondly, by discovering the true meaning and essence of a product; then by projecting the manager's subconscious into management strategies; and by increasing the manager's personal presence; thus having a positive impact on business decisions.

Numerous literature indicates that art plays an essential role in marketing. Taylor and Ladkin [6] suggests that art-based measures can benefit marketing managers and further create value for the organization. This is because art can be most easily and widely covered in the marketing department. In addition, art can compensate for the lack of functionality of the product [10] and create value for it in product design [9]. Advertisements that incorporate artistic components are generally evaluated more positively than those without [10,11]. However, Hoegg, Alba, & Dahl [12] suggests that overly artistic products may also worsen the evaluations of some products with minimal functionality.

Hagtvedt & Patrick [13] suggest that if the artwork is seen as an illustration rather than a work of art then it can bring down the product's rating. The infusion of art in a product prompts consumers to view the brand's product as a luxury product, in other words the infusion effect of artwork allows consumers to view the brand as a high end product with substance, thus creating a positive and tall brand image in the minds of consumers [10,14].

Numerous experiments have shown that art evokes feelings and that using art in advertising can create value by stimulating consumer feelings [15,16] .Chaudhuri and Holbrook [17] found that consumers' empathy for a brand increases their brand loyalty, so that when a company increases the price of a product accordingly, consumers will still choose the brand that they empathize with. loyalty, so when the company increases the price of the product accordingly, consumers will still choose the brand with which they empathize.

Chitturi, Raghunathan & Mahajan [18] suggested that when a product has certain utilitarian attributes, then this hedonic attribute dominates the consumer's satisfaction as well as loyalty and choice for this product. However, hedonic products are rated less favorably than utilitarian products [19][20], and Hagtvedt and Patrick [10] suggest that visual art is less useful for hedonic products than for functional products.

2.3. Another form of art consumption: fashion consumption

The goal of many enterprises around the world is to ensure the sustainable development of enterprises [21,22]. However, the fashion industry is generally considered to have a negative impact on the environment, so sustainability is also an important consideration for them [23,24].

At the same time, when investigating the sustainable development of the fashion industry, it is also found that consumers are more likely to act as the executor of moral behavior in their consumption behavior [9,25,26].More importantly, in the overall consumer group, the behavior of young consumers plays a leading role [27,28]. A new generation of consumers, influenced by ethical principles, is showing greater expectations for sustainability in the fashion industry [29,30].

Based on this phenomenon, Grappia et al. [31] chose to focus on a particular type of sustainable fashion consumption, that is, buying second-hand clothes through online software. As the main consumers of second-hand fashion clothing, young consumers have naturally become the object of researchers' focus on observation and analysis [32,33].They divided consumers' reactions into four different modules [31]. The first is consumers' consumption intention of buying second-hand clothes on the software specializing in selling second-hand clothes. The second is the intention of positive words conveyed by consumers through the purchase of second-hand clothing. The third is the information consumers seek. Finally, consumers are willing to pay their time for related events. The use of frame-work of framing theory [34] which is how people feel and understand a message depends on how it is presented. This theory helps to understand how persuasive messages influence consumer behavior in the above four consumer responses [35] .The hypothesis of their study is that positive persuasion information, compared with negative information, increases the possibility and opportunity of consumers to buy second-hand clothes. So they looked at predictable emotions in the

psychological process as an explanation for how mesage framing works in consumer responses [36-41]. Their research suggests that positive framing of information encourages consumers to engage in sustained consumption behavior,also points out the contribution of positive emotions in the field of promoting sustainable consumption behavior [8].

Based on the past literature, this paper have several findings on the research related to art consumption market. Firstly, the market of art products is not only a single independent market, and isolated from other markets. On the contrary, the market of art products is an integrated market. Because of the particularity of art products, the interaction and resonance between products and consumers are required. Consumer may have various opinions on art products, which also creates the diversity and inclusiveness of the art product market. Secondly, this paper finds that the works of art used in the consumer market of art products might also be applied to the management level and operation level of the company. Finally, the main body of the art market is also closely linked to psychology and consumer cognition. Therefore, the factors that affect consumers' purchase of art products are diversified and rich.

Most importantly, after reading the relevant literature, I extracted from it the factors that I think will most influence consumers to consume art products, which are age(AG), education background(EB), gender(GE), income(IN), knowledge of the artwork(KA), the attitude to the expensive art product(EX). In the next part of the study, I will explore the correlation between these variables and the consumption of artworks, collect data, make hypotheses, and then further demonstrate how the factors affect consumers' choices on art products.

3. Data collection

With the purpose of exploring which factor could impact the consumption of art product in Chinese market, this paper collects data from a questionnaire based on 105 respondents. Intuitively, the influential factors include age (AG), education background (EB), gender (GE), income (IN), knowledge of the artwork (KA), the attitude to the expensive art product(EX). In order to ensure the quality of the data, this paper deletes the missing data and outlier.

Table 1 provides the data summary of some factors and the consumption on the art product. It could be found that the mean value of age (AG) is 41.32, indicating that the sample age is fairly large and mainly concentrated in the middle-aged and elderly people. Moreover, the maximum value of AG is 85, the minimum value of AG is 16, indicating that the data covers a wide range of people. As to income (IN), the maximum value of income(IN) is 200,000 and the minimum value of IN is 0, which may be due to the fact that the sample includes both adults and students without income sources. Moreover, the maximum value of consumption on art product(CON) is 30000, the minimum value of CON is 0, and the average value is 725.81, which means that the respondents' willingness of buying art products in this sample is relatively various.

Table 1. Data summary

Variable	AG	IN	CON
Mean	41.32	16778.10	725.81
Std	16.37	26441.49	2962.58
Max	85	200000	30000
Min	16	0	0
Skew	0.13	4.44	9.34
Kurt	-1.01	24.78	92.20

Notes: This table provides the summary statistics of variables in our analysis. The data is constructed from the 105 survey results. The statistics of the variables are provided such as mean (Mean), minimum (Min), maximum (Max), standard deviation (Std), skewness (Skew), and kurtosis (Kurt).

3.1. Methodology

This paper uses the method of linear regression to explore the relationship between each factor and the consumption of art products. In addition, this paper also access ordinary least squares (OLS) to estimate the parameters in the model. According to previous studies, linear regression is a model that could not only explore the relationship between variables but also has the function of prediction. Therefore, this model has been widely used in numerous related literature [7,9]. In this paper, linear regression couldbe constructed as:

$$CON_i = \alpha + \beta_1 AG_i + \beta_2 EB_i + \beta_3 GE_i + \beta_4 IN_i + \beta_5 KA_i + \beta_6 EX_i + \varepsilon_i$$

where the i represents the information of respondent i ,and ε_i represents the residual.

Before exploring the relationship between the influential factors and the consumption on the art product, this paper firstly provides some hypothesizes in this section. Firstly, this research assumes that AG might have a significant and positive impact on art consumption behavior, because the older the people are, the more they may like art products. Secondly, EB might have a significant and positive impact on art consumption behavior, which may because that the people with higher education background may have a higher understanding on the art therefore prone to spend more on the art products. Thirdly, IN may have a significant and positive impact on art consumption. This may be because when people earn more, they have more money to spend on art and are more able to buy it. Ultimately, KA might have significant and positive effect on art consumption. This is because, when people know more about art, they may more willing to buy products they are familiar with. As a result, consumers may be more likely to buy art than those who do not understand it.

4. Discussion on empirical result

Table 2. Regression result

Variable	β	t-statistics	R^2 (%)
AG	30.68*	1.82	27.3
GE	-251.62	-0.44	
EB	510.27	1.27	
IN	-0.01	-1.00	
KA	1215.75***	2.82	
EX	2302.02**	2.38	

Note: This tables provides the regression results for the factors that affect the consumption on the art product. The corresponding t-statistics is reported. *, ** and *** stand for significance at 10%, 5%, and 1% levels, respectively.

From Table 2, this paper finds that AG, KA and EX could significantly impact the consumption on the art products (CON), while the rest of factors could not significantly impact the consumption on the art products (CON).

Firstly, the estimation coefficient of Age (AG) is 30.68, with a significance level of 10%. The result suggests that one-standard-deviation increase in Age (AG) is associated with a 30.68 increase in the consumption of art products. As I found that the AG coefficient is positive at 30.68, so I think it may because the older the population, the more mature and sophisticated they are, which means they are more able to empathize with the emotions conveyed by the artwork. Because they are more able to appreciate the charm and uniqueness of the artwork, they are more willing to pay the corresponding price for it, and thus to cultivate their emotions by purchasing the artwork.

Secondly, the estimation coefficient of knowledge of artwork (KA) is 1215.75, with a significance level of 1%. The result suggests that one-standard-deviation increase in knowledge of artwork (KA) is associated with a 1215.75 increase in the consumption of art products. This paper observes that the coefficient of KA is positive. This may be because as consumers learn more about art related knowledge, they become more familiar with and fond of the art itself and also the artwork, which may generate buying behaviour. Or maybe people who love art and want to buy art will be willing to learn more about art.

Thirdly, the estimation coefficient of the attitude to the expensive art product (EX) is 2302.02, with a significance level of 5%.The result suggests that one-standard-deviation increase in the attitude to the expensive art product (EX) is associated with a 1215.75 increase in the consumption of art products. This research finds that the coefficient of EX is positive. The high price is defined to be 150,000RMB in before, which is a hefty price to pay. The evidence implies that the respondents who are willing to spend on expensive art products are more likely to have higher consumption monthly.

Apart from the factors mentioned above, the rest of factors fail to impact the consumption on the art products. This may be due to a number of reasons, and this paper will explains the reasons next. For GE, it may be unable to significantly influence consumer behaviour towards art. This may be because gender differences do not affect consumers' opinions about art. People do not choose to buy or not to buy art products because of their gender. For EB, this paper observes that EB may not significantly affect the purchase of artworks by consumers. This is because academic qualifications

are not a restriction on the purchase of artifacts. Nor is academic qualification a mandatory requirement to determine whether people can buy art. People with high academic qualifications could choose to buy or not to buy art. People with a low level of education might also choose to buy or not to buy art, so it is said that the level of education may not affect the public's consumption of art. For IN, this research find that IN has no significant effect on consumer purchases of art. This is because income does not represent the consumer's decision to spend money on art. It is possible that some people who love art will spend a large percentage of their income on art even if their income is not high. On the other hand, some people who earn a lot of money may not be interested in art at all and will not spend much money on art.

Overall, the empirical results in this paper indicates that AG, KA and EX could significantly impact the consumption on the art products, while GE, EB, and IN could not significantly impact CON. For the result of each factor, this paper provides a specific explanation.

5. Conclusion

As art continues to permeate all corners of people's lives, art can be seen everywhere, whether in people's daily communication, leisure and recreational activities, or in the decoration of the home. Consequently, the rapid development of the art market is also self-evident, and its contribution to the economy is also increasingly prominent. Art products have both aesthetic and practical needs in one, which inspires its unique economic research value. This article is to help the art market avoid risks and notice potential problems by exploring the factors that influence consumers to buy art. It also helps art companies better understand consumer trends and needs. In this study, a questionnaire was used to collect the data and the data was transformed into a quantitative form for easy analysis. A linear regression was also constructed to investigate the relationship between the influence factors and the amount of money spent on artwork. The final results of this experiment concluded that age (AG), knowledge of artwork (KA), and the attitude to the expensive art product (EX) can significantly influence the amount of money spent on artwork, however, other factors, such as Gender (GE) cannot significantly influence the amount of money spent on artwork. However, other factors, such as Gender (GE), do not significantly affect the amount of money spent on art. The reasons for these varying significance of these factors are complex, and their effects on the amount of money spent on artwork are varied, so we offer a range of explanations in the paper.

This study likewise provides some insight into the future of the art industry. Based on the conclusions drawn from this study, that age (AG), knowledge of artwork (KA), and the attitude to the expensive art product (EX) can significantly influence the amount of money From this study, it is concluded that that age (AG), knowledge of artwork (KA), and the attitude to the expensive art product (EX) can significantly influence the amount of money spent on artwork. In response to the findings that AG can positively and effectively influence consumers' purchases of artwork, this study suggests that the art industry can focus on the shopping needs and preferences of older consumers and how to change the service model or improve the products in order to cater to their preferences. Meanwhile, based on the study that knowledge of artwork (KA), and the attitude to the expensive art product (EX) can motivate consumers to purchase artwork, the study suggests that the art industry can focus on popularizing artwork information to the general public in the future. This study suggests that the art industry should also focus on popularizing art-related information to the general public, so that art can be more comprehensively involved in consumers' daily life and more consumers can have a deeper understanding of art, rather than limiting the target audience of art to a small number of people.

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