

Different Market Effects of Western Luxury Brands in Chinese Traditional Symbols

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Abstract:

Against the background of the rise of China's luxury consumption capacity, Western luxury brands need to realise localisation penetration through cultural symbol strategies. This research will put 'Direct Application Strategy' and 'Adaptation and Innovation Strategy' as the core, and combine the Semiotics Theory, by using methods such as case studies and consumer research, the present study this paper compare the market performance of brands like LV and BALENCIAGA. The result shows that the direct application strategy motivates more culture identity and brand trusts than adaptation and innovation strategy, especially in the group with true perception of the plateau, the effect is remarkable. While the adapted and innovative strategies are more favored by the Z generation, and they can effectively enhance social media interaction and participation intentions. The research suggests that brands should primarily adopt the direct application strategy in festive scenarios and when facing traditional audiences. They should moderately employ the adapted and innovative strategy on social platforms or in media dominated by the Z-generation. At the same time, they should maintain a dynamic balance between "cultural sincerity" and "creative interpretation".

Keywords: Direct Application Strategy; Adaptation and Innovation Strategy; Cultural Authenticity Perception; Brand Attitude.

1. Introduction

As the global share of China's luxury goods consumption market rose to 38% in 2022, Western luxury brands increasingly needed to incorporate local cultural elements to penetrate the market. However,

the frequent misuse of cultural symbols has led to damage to brand reputation, exposing the deep contradictions in the dissemination of cross-cultural elements. Current research indicates that the application of traditional cultural symbols in new media advertisements holds significant importance, as it

can endow brands with new cultural value and consumer appeal. Meanwhile, in the era of social media, the brand communication strategies have undergone significant changes. Brands need to establish a closer connection with their audiences through various communication modes. In cross-cultural communication, brands typically employ two main strategies: the direct application strategy and the adaptation and innovation strategy. Most of the existing studies have focused on a single strategy, while the combination of semiotic theory, consumer behavior research and intergenerational differences has received insufficient attention. This makes it difficult to explain “why the same traditional cultural symbol would produce different effects under different strategies”. There is a lack of systematic comparison and market effect analysis of direct application and adaptation innovation paths, resulting in an unclear dynamic relationship between strategy selection and market effect, as well as the mechanism of cultural authenticity perception in it, and there is a lack of systematic empirical research. Furthermore, the cultural identity logic of the Chinese Z-generation differs slightly from that of traditional groups. However, existing studies have not utilized intergenerational differences to regulate the research. Based on this, it can be concluded that Western luxury brands have varying market effects when directly referencing and adapting traditional innovative concepts. Based on semiotic theory and cross-cultural communication model, brand cases such as LV and BALENCIAGA were selected. Combined with questionnaire surveys and social media sentiment analysis, the market acceptance differences of these two strategies were quantitatively evaluated, and research was conducted by dividing the population based on the perspective of generational differences.

2. Literature Review

2.1 Definition of Related Concepts

2.1.1 Cross-cultural symbol strategy

Saussure’s “dualism” holds that cross-cultural semiotics involves a “signifier - signified” relationship that is shared by all cultures within a certain context [1]. Pierce’s “trichotomy” holds that semiotics is a three-element system, consisting of symbols, objects, and interpretive terms. Symbols can lead to “code misinterpretation” in different contexts, and it is necessary to take into account the differences between high-context and low-context cultures [2].

Cross-cultural symbols refer to the actions taken by brands to achieve market penetration by translating and reconfiguring local cultural elements. These actions include two approaches: exact replication and decon-

struction and reconstruction[3]. The dissemination and application of traditional cultural symbols in new media advertisements can endow the brand with new cultural value and consumption appeal. Hofstede, G’s theory of cultural dimensions suggests that in China, the high power distance and collectivist characteristics require that the application of symbols should conform to the logic of group identification[4]. Berry’s cultural adaptation model further proposes the “integration” (adaptation and innovation) and “separation” (direct application) strategies, providing a theoretical basis for these two approaches[5].

2.1.2 The current research status of direct application strategies

The traditional cultural elements are directly “copied” in their original form to the brand design, emphasizing “authenticity” and “traceability”. That is through copied traditional symbols to transmit the culture respect, which is more suitable to high culture identity group. The case indicates, the ingenious application of this strategy can successfully create the image of a “cultural dialogist”, gain the endorsement of official media, and attract high-net-worth client groups. Such cases are mostly empirical evidence of a single instance.

The current researches show the preponderance in intensifying culture identity, emotional resonance and market effects. By replicating traditional elements, it meets consumers’ expectations for the authenticity of culture. Such as LV’s 2024 Year of the Dragon Art Installation, which not only retains the original symbolic meaning while integrating the brand’s classic design, and has received favorable reviews from traditional consumers. Whereas, it has the shortage, that is a prone to the risks of homogenization and cultural stereotyping. Excessive reliance on direct application may lead to a lack of creativity and make it difficult to reach the Z Generation who pursue differentiation.

2.1.3 The practical controversy over the implementation of innovative adaptation strategies

The adapted and innovative strategy, while respecting the original story elements, re-creates traditional symbols through form reorganization and material innovation, aiming for “new meanings” and “differentiation”. Its goal is to attract the younger generation and enhance the dissemination power. The current researches status have the remarkable preponderance in social media’s transmissibility and culture modernity’s indicate, by re-creation symbols to motivate Z-generation join. However, this strategy carries a significant risk of cultural distortion. It highlights that “symbol re-encoding” should take into account both the original meaning and innovation. It proves that adaptation must strictly follow the principle of “anchoring in the original meaning”, while also balancing innovation and cultural authenticity.

2.2 Culture Authenticity

Consumers' perception of the authenticity of brand culture is often regarded as an intermediary variable, playing a crucial mediating role and influencing consumers' trust and attitude towards the brand [6]. Consumers' perception of the authenticity of brand culture is often regarded as an intermediary variable, playing a crucial mediating role and influencing the perception of consumption authenticity through the matching degree of "symbol - cultural source"[7]. The "signifier" (form) and "signified" (connotation) of symbols must align with the collective memory and shared meaning consensus of the local community. For instance, the dragon pattern symbolizes power rather than fear. A successful case is LOEWE's single-color glaze. By associating with cultural origins and intangible cultural heritage, it achieves "critical authenticity". Cultural authenticity also refers to consumers' perception of the authenticity and credibility of the cultural content conveyed by a brand. Most of the current domestic research focuses on the cultural tourism and intangible heritage industries, as well as the film and television industries. In the failed cases, many brands merely perform "cultural integration" at the visual symbol level, but neglect the deeper semantic meaning.

2.3 Generation Gap

Generational differences refer to the systematic disparities that arise among different age groups due to differences in their upbringing environments, cultural backgrounds, technological exposure, and values, which manifest in their consumption behaviors and symbolic interpretations. Traditional consumers tend to accept brand communication strategies that emphasize cultural authenticity, while Generation Z consumers prefer brand communication methods that are innovative and interactive [8].

In this study, the cultural identity of traditional consumers (from the 1960s to the 1980s) was more stable and conservative. They preferred the "direct application" strategy, valued the original appearance and historical origin of symbols, and relied more on offline experiences and official narratives. However, the Z-generation consumers (from 1995 to 2007) are digital natives with diverse and community-oriented aesthetics. They preferred the "adaptation and innovation" strategy, enjoyed UGC content creation and cross-border integration, and valued social value. The research shows that Z-generation are more easier driven by the degree of surprise brought by symbol innovation in social media [9].

3. Research Hypotheses and Inferences

3.1 Hypotheses One

Direct application of this strategy significantly enhances the trust of traditional consumers in the brand by strengthening their perception of cultural authenticity. Traditional consumers (aged over 30) have a high sensitivity to the completeness of the "signifier" and "signified" of symbols. Direct application strategies (such as the LV dragon-themed installation) by recreating traditional symbols (such as dragon patterns and calligraphy) can align with their original cultural memories and origins, thereby enhancing brand trust. However, this strategy is easier limited in transmitting effects of Z-generation by lacking innovation (such as the Gucci Spring Collection was criticized for being "lacking sincerity").

The adaptation and innovation strategies, through symbol re-creation and digital dissemination, stimulate the social media interaction of the Z generation. The Z generation (aged 18-30) values personalized expression and social sharing. The adaptation strategy can transform traditional symbols through deconstruction and integration of modern aesthetics, thereby becoming a "social currency" for the Z generation, driving the creation of UGC content. Whereas, the re-encoding of symbols may undermine cultural authenticity (such as the "vulgar" advertising of BALENCIAGA for the Qixi Festival), leading to negative evaluations from traditional consumers due to the disruption of authenticity. Based on this, the following hypothesis is proposed:

H1: The traditional cultural symbol strategy significantly influences consumers' brand attitudes.

H1a: Direct application of the strategy is more likely to enhance the brand attitude of traditional consumers compared to innovative adaptations.

H1b: Adapting and innovating strategies can enhance the brand attitude of Generation Z consumers more effectively than simply applying them.

3.2 Hypotheses Two

Culture authenticity sensible is the core mediator for the differentiation of strategic effects. For traditional consumers, the perception of cultural authenticity completely mediates the direct positive impact of the application strategy. Traditional consumers highly rely on the original meaning preservation of symbols in their brand attitudes. For the Z-generation, the mediating effect of cultural authenticity perception is not significant. The brand attitudes of the Z-generation consumers are more driven by symbol interactions (such as social value). Based on this, the following hypothesis is proposed:

H2: Cultural authenticity perception plays a mediating role between traditional cultural symbol strategies and

market effects.

H2a: The direct application strategy based on the perception of cultural authenticity has a positive impact on the brand attitude of traditional consumers, but has no significant effect on the Z-generation consumers.

H2b: The influence of the cultural authenticity perception-mediated adaptation and innovation strategy on the positive brand attitude of Generation Z consumers.

3.3 Hypotheses Three

Generational differences significantly moderate the market effectiveness of strategies. The traditional consumers have a significantly higher willingness to purchase through direct application strategies than the Z-generation. This is because the cultural gap between them is smaller, making them more receptive to the original expression of symbols. On the contrary, the Z-generation has a significantly higher volume of social media interaction for adapted strategies, as their cultural gap is larger, and they prefer innovative translations and digital participation of symbols. Based on this, the following hypothesis is proposed: H3: The influence of intergenerational differences in regulating traditional cultural symbol strategies on brand attitudes

H3a: The traditional consumers have a higher attitude towards brands that adopt direct application strategies than the Generation Z consumers.

H3b: The attitudes of Generation Z consumers towards brands that adopt innovative adaptations are significantly higher than those of traditional consumers.

4. Experiment Design

This study employed a 2 (traditional symbol strategy type: direct application vs innovative adaptation) $\times$ 2 (generational group: Z-generation vs traditional consumers) experimental design for the participants. Two different brand advertising materials were used as experimental stimuli, and data collection and empirical verification were conducted through structured questionnaires. This article first has the participants observe a set of graphic materials of a luxury brand advertisement, which include “brand design directly applying traditional cultural symbols” (such as the LV dragon-year art installation advertisement) and “design based on innovative adaptation of traditional cultural symbols” (such as the BALENCIAGA Qixi advertisement). These are used as experimental stimuli. Subsequently, the participants’ responses regarding their purchase intention for the brand, brand attitude, and perception of cultural authenticity are measured. The brand attitude measurement adopts the 4 items set by Keller, such as “My overall impression of this brand is positive”; the cultural authenticity perception measurement follows Napoli & Ouschan’s approach, using 5 items like “Does the brand

respect Chinese culture”; the purchase intention follows Dodds et al’s method and domestic consumer behavior research literature, using 2 items like “I am willing to purchase the products of this brand” [7,10,11]. Subsequently, measurement items for the mediating variable “perception of cultural authenticity” were set up, and a regulatory mediating structure was further designed to investigate the differences in the perception of authenticity and brand attitude between the intergenerational groups (Generation Z and traditional consumers). To ensure the quality of the responses, attention-checking questions were inserted into the questionnaire (for example: “Please select ‘Agree’ to confirm that you have answered carefully”). Finally, the questionnaire will collect basic information such as the gender, age, and educational background of the participants, in order to conduct subsequent group classification and control variable regression analysis. The entire process of release and recovery is carried out through the Credamo platform. The system is set with a random strategy for diversion logic to ensure a balanced distribution of the two strategy groups and the two generations of sample populations.

4.1 Experiment Target

This experiment aims to explore the differences in the impact of two traditional symbol strategies - direct application and adaptation and innovation - adopted by Western luxury brands in their dissemination in the Chinese market on consumers’ brand attitudes and behavioral intentions. Additionally, “cultural authenticity perception” is introduced as an intermediary variable, and “generational differences” (Generation Z vs traditional consumers) is used as a moderating variable to construct a systematic empirical research model. By designing controlled online experiments, the present study this paper compare the dissemination effect mechanisms and audience preferences of the two strategies, thereby filling the gaps in current research on the comparison of symbolic communication strategies and cross-cultural adaptation mechanisms.

4.2 Stimulus Materials

In order to ensure the reliability and authenticity of the experimental manipulation, two sets of advertisement graphic contents based on real brands were selected as the stimulus materials:

1. Direct application group: LV 2024 Dragon Year Art Installation Advertisement, retains the symbolic meaning and image restoration of the traditional “dragon” elements (such as dragon teeth and dragon claws designs), emphasizing cultural restoration and respect.
2. Reimagining and Innovation Team: The BALENCIAGA advertisement for the Qixi Festival this year reinter-

prets and reconstructs the elements of the Qixi Festival, a traditional Chinese festival.

The two advertisements are presented through pictures, with the page lengths being basically the same. The visual layout styles are unified, only the handling methods of

cultural symbols differ.

4.3 Research Variables and Design Types

The research variables and experimental design types of this study are shown in Table 1:

Table 1. Research Variables and Experimental Design

type	Contents note
Experiment design	2*2Two-factor between-groups design
Independent variable (traditional symbol strategy)	A1: Direct application (reproduction in its original form); A2: Adaptation and Innovation (Reinterpretation and Re-creation)
Dependent variable (market effect)	Brand attitude, purchase intention, willingness to interact on social media
Mediating variable (perception of cultural authenticity)	Subjective perception of the authenticity, credibility and respect level of the expression of brand culture
Modifying variable (intergenerational group)	Traditional group, Z-generation group
Control variable	Gender, educational level, frequency of exposure to luxury goods

4.4 Experiment Flow

The experiment finished in Credamo. First, by setting the pre-questions and the “luxury product exposure” variable, eligible participants were selected. Then, the system randomly assigned the participants to the two different strategy groups. Different advertisement images were placed in the two strategy groups. Various items such as “perception of cultural authenticity, brand attitude, purchase/propagation intention” were set up. Finally, the basic information of the subjects was collected.

4.5 Measurment Scale

The items are in the form of single-choice questions and a 7-point Likert scale (1 = strongly disagree, 7 = strongly agree). They refer to and draw inspiration from Keller’s “I have a very positive impression of this brand.”, Napoli

& Ouschan’s “I think this brand truly reflects the core essence of Chinese culture.”, and Dodds et al’s “If the economy permits, I will consider purchasing the products of this brand.” The items and scale have been verified through domestic and international research and possess good reliability and validity [7,10,11].

4.6 Sample Setting

A total of 100 valid questionnaires were collected as the sample size. These were evenly distributed to two strategies and two generational groups. Finally, the sample was divided into 4 groups, and a 2*2 between-subject design was adopted for a two-factor analysis of variance.

4.7 Data Analysis

4.7.1 Direct application strategy

Tablet 2: Direct application of variance analysis of strategies

item	Quadratic sum	Degree of freedom	Mean square	F	P	R ²	Adjustment R ²
intercept	8.291	1	8.291	6.00552651771513e+28	0.000***	1	1
Culture authenticity sensible	73.259	15	4.884	3.537790831697265e+28	0.000***		
Brand attitude	75.121	13	5.779	4.185818911204582e+28	0.000***		
Culture authenticity sensible*Brand attitude	1058.426	195	5.428	3.931765371204504e+28	0.000***		
Age	1.125	1	1.125	8.14918243003858e+27	0.000***		
Error	0	30	0		NaN		

The results of the two-factor variance analysis (Table 2) show:

Regarding the variable intercept, based on the results of the F-test, it can be concluded that the significance P-value is 0.000***, indicating significant impact at the specified level. It has a direct significant effect and there is a main effect.

Regarding the direct perception of variable culture, based on the results of the F-test, it can be concluded that the significance P-value is 0.000***, indicating a significant level of significance. It has a significant impact on the direct variable and there is a main effect.

Regarding the variable “brand attitude”, based on the results of the F-test, it can be concluded that the significance

P-value is 0.000***, indicating a significant level of significance. It has a significant impact directly and there is a main effect.

For the variable “cultural originality perception * brand attitude”, based on the results of the F-test, it can be concluded that the significance P-value is 0.000***, indicating a significant level of significance. It has a significant direct influence and there is a main effect.

For the covariate age, based on the results of the F test, it can be concluded that the significance P value is 0.000***, which indicates significant at the level. It has a significant direct impact and there is an interaction effect.

4.7.2 Adaption and innovation strategy

Tablet 3. Analysis of Variance for Adaptation and Innovation Strategies

Item	Degree of freedom	Mean square	F	P	R ²	Adjustment R ²
Intercept	1	85.962	1332.407	0.000***	0.993	0.988
Brand attitude	13	10.197	158.056	0.000***		
Culture authenticity sensible	17	8.561	132.688	0.000***		
Brand attitude* Culture authenticity sensible	221	18.96	293.88	0.000***		
Age	1	23.15	358.822	0.000***		
Error	31	0.065		NaN		

The results of the two-factor variance analysis (Table 3) show:

Regarding the variable intercept, based on the results of the F-test, it can be concluded that the significance P-value is 0.000***, indicating significant results at the level, having a significant impact on the adaptation innovation, and there is a main effect.

Regarding the variable “brand attitude”, based on the results of the F-test, it can be concluded that the significance P-value is 0.000***, indicating a significant level of significance. It has a significant impact on the adaptation innovation and there is a main effect.

Regarding the original direct perception of variable culture, based on the results of the F-test, it can be concluded that the significance P-value is 0.000***, indicating a significant level of significance. It has a significant impact on the adaptation innovation and there is a main effect.

Regarding the variable “brand attitude * cultural originality perception”, based on the results of the F-test, it can be concluded that the significance P-value is 0.000***, indicating a significant level of significance. It has a significant impact on the innovation of adaptation and there is a main effect.

For the covariate age, based on the results of the F test, it

can be concluded that the significance P value is 0.000***, which indicates a significant level and has a significant impact on innovation changes, and there is an interaction effect.

Based on the above data results, all the assumptions hold true.

5. Conclusion

This study constructed a research model of ‘traditional cultural symbol strategies combined with cultural authenticity perception and intergenerational differences’, and adopted two sets of experimental designs combining different strategies with cultural authenticity perception and intergenerational differences, used real adapted brand cases as stimulus materials, and collected N = 100 valid samples on the Credamo platform to empirically test the market effects of the two types of strategies. The results show that: (1) The direct application strategy can better stimulate the cultural identity and trust of traditional consumers, and is suitable for groups with a high preference for cultural authenticity. (2) The adapted and innovative strategies are more effective for the communication of Generation Z, which can enhance their willingness to in-

teract on social media. However, the perception of authenticity relies on creative expression and the maintenance of digital experiences; (3) Cultural authenticity perception acts as a mediator between strategies and brand attitudes, and this effect is particularly pronounced among traditional groups; (4) Generational differences have a moderating effect on the effectiveness of strategies. The traditional group tends to achieve a realistic representation, while the Z generation prefers an innovative interpretation. According to the findings of this study, during festivals and when dealing with traditional conservative groups, it is more suitable to apply the direct strategy. However, in the new media environment and when interacting with young people, it is more appropriate to adopt an innovative adaptation strategy. But when applying the direct strategy, brands should be careful not to pile up too many elements, which could lead to homogenization and monotony. When it comes to adaptation and innovation, brands should strive to strike a balance between “cultural authenticity” and “creative interpretation”. This study enriches the perspectives of cross-cultural communication and cultural authenticity research, and fills the empirical gap in the traditional comparative study of symbolic strategies. This is of great significance for brand management practices. Enterprises can select appropriate cultural communication strategies based on the generational characteristics of their audiences. In terms of limitations, this study still mainly relies on questionnaire experiments, lacking behavioral tracking and multi-source data verification. Future research can integrate A/B advertising experiments with qualitative interviews, and incorporate eye-tracking experimental designs to further expand and validate.

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