

A Study of the Roots of Conspicuous Consumption and Conformism in India

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Abstract

One of the most exceptional behaviour of a consumer is ‘Conspicuous Consumption’. In simpler terms, it means the practice of buying commodities and services to display their economic power. In the following research, attempts have been made in the past to unravel the reason behind this buying behaviour. The objective of this paper was to study the buying patterns of consumers who indulge in ostentatious behaviour. A research was conducted consisting of questions related to conformism, buying behaviour, and product preferences. The sample population includes people belonging to diverse age groups. According to the results, Conspicuous Consumption still exists in today’s time, and it doesn’t seem that it will die down soon. The research was able to establish a relationship between the age group and the social status of people and their buying practice. Furthermore, it was also established that consumers believe that the price of a product is an unimpeachable indicator of its quality.

Keywords

Enterprise, Conspicuous consumption, Buying behaviour, Conformism, Social status, Obvious, Society, Consumer behaviour, Age, and Price.

1. Introduction

The idea of Conspicuous consumption can be explained by considering the motivation to own an expensive phone when a nominally priced phone is enough. Any phone can satisfy the basic requirements of calling and texting, but an expensive phone such as an iPhone will attract attention to the affluent owner.

The word was first coined by economist and sociologist Thorstein Veblen in his acclaimed book ‘The Theory of Leisure Class’. In his book, Veblen states that there isn’t any class distinction or institution of ownership in the primitive society. However, when the institution of ownership began, a class distinction also came into the picture. Terming

the new developments as barbaric, he claimed that the basis of leisure class could be found here. Despite Veblen's satirical and humorous attack on society, he was able to deliver a serious and important economic analysis of society, and stated his idea of "signalling-by-consuming."

Solnick and Hemenway, in 1998|2005, studied and described the phenomenon of not just desiring "more" but more "more than others". They stated that people always compare themselves to each other and always want to have more than others. Not only is the product's absolute value taken under consideration but also the status associated with it. What the product's economic value means to others in society holds a lot of weight while buying a product (Corneo & Jeanne, 1997; Mason, 2000). Certain parameters are associated with the purchase of a product like its cost, wealth, and income of the consumer. However, certain researchers namely, Chen, Yeh, and Wang (2008) ascertain that while it is a signal of wealth it is also used to denote something less quantifiable like status or power. In pellucid terms they defined conspicuous consumption as "the extent of one's behavioural tendency of displaying one's social status, wealth, taste or self-image to one's important to reference groups through consumption of publicly visible products".

Yan and Mattila, in 2017, claimed that "experiential purchases" have garnered more popularity than "materialistic purchases". Experiential purchases are those which one can only feel but not see, like going to see a movie in the world's best theatre, whereas materialistic purchases entail those purchases which one can see like cars, phones, houses et cetera. It has been observed that consumers would spend more on travelling to murky places than shop from luxury stores. Our society's propensity towards "feelings" has augmented so much over the years that we can now be called an "Experience over material" society. In fact, in this era of Social Media one can easily claim that it is not just about one owns but also about "what one has felt" or "who" one knows and this makes this behaviour even more interesting.

While several studies have been conducted in his field, this research's contribution adds more perspective into Indian Society and this ostentatious behaviour when it comes to consuming goods. This paper's primary objective is to study the prevalence of conspicuous consumption in today's Indian society and how germane is it to the modern characteristics of a consumer. The topic of interest is to understand this

interesting pattern of ostentatious behaviour and Social Media. Why the young adults of this country are concerned about their status, probably more than their parents. Along with this, the paper also aims at studying the relation between age and status.

2. Objective of the Study

Profligate consumers who indulge in squander typically to gain a certain status in the society than cover their basic needs are found in every corner of the world. In fact, in his book, “The Theory of Leisure Class” (1899), Veblen states that “In order to gain and hold the esteem of men, it is not sufficient merely to possess wealth or power. The wealth or power must be put in evidence, for esteem is only rewarded on evidence”. This helps us in concluding that one can quantise his/her wealth through consuming ‘*conspicuous goods*’. Hence, we can describe a *conspicuous good* or *service* as something that can be seen by everyone in society.

The objective of this study is to:

study the motivation behind conspicuous consumption and how pertinent is it in today’s society, to decipher a pattern of conspicuous consumption by finding out a relation between a consumer’s age and social status with his/her buying pattern, to study the motivations and inducements behind this economic activity. Lastly, to study its relation with *conformism*. Before we go through, I wish to clarify the definition of conformism. It merely means the act of matching behaviors, attitudes, and beliefs with a certain “*coterie*”.

3. Review of Literature

Consumer buying behavior can be explained as the total of all the attributes, attitudes, preferences, decisions, and intentions that a consumer exhibits while purchasing a good or service. It has been found that gender doesn’t influence buying behavior or consumption pattern. Males and females do not show any difference in brand awareness, shopping frequency, and shopping expenditure (Namita Rajput, Subodh Kesharwani, Akanksha Khanna 2012). Conspicuous consumption is also defined as “visible consumption of goods as a mechanism to enhance one’s social standing” (Grace and Griffin, 2009). Conspicuous consumption has been long considered as ‘wrong’, ‘squandered’ expense that delivers zero value (Mason, 1981). Indulging into expensive ostentatious consumption helps one in singling his status by indicating

wealth and hence status. This can be explained by considering that people believe the high prices to be tantamount to high status. In fact Veblen, in his book, describes two strategies that bolster social impressions- a) Conspicuous consumption, and b) Conspicuous leisure. Conspicuous leisure involves throwing away time doing unproductive activities which will corral attention, whereas Conspicuous consumption involves indulgence in wasting money by buying expensive, lavish items (Veblen, 1899). What can also be a factor in inducing such behavior is the need to be unique and the urge to 'fit' in a particular group. The urge to be unique can be explained by the theory of the snob effect, which makes a person buy unusual, eccentric, and exclusive products (Malgorzata Niesiobezka, 2019). Adding to this, it has been found that young people who are status-concerned are more likely to be impacted by interpersonal influences. There were pieces of evidence that males are more likely to engage in conspicuous consumption than females (Aron O'Cass, 2004). Specific brands can be perceived as brands that maintain exclusivity, and communicate superiority and high social position of the consumer (Zinkhan and Prenshaw, 1994). "The desire for status is not exclusive to the wealthy" (Mason, 1992; Ram, 1994; Underwood, 1994) and "it may be that conspicuous symbols of status are more meaningful to both the affluent and those of modest means" (Bansanko, 1995). Belk (1988) argued that, "even in third-world (developing) countries people are often attracted to and indulge in aspects of conspicuous consumption before they have adequate food, clothing, and shelter". This clearly indicates that irrespective of social status, people are always pulled towards the products that signify wealth.

4. Research Methodology and Study

A survey and research were conducted wherein the following questions were asked. We appreciate the copious response received. A total of 348 people took part in this survey.

Table 1: Summary of the Participants

Mean age	25.17 years
Median age	21 years
Mode age	20 years
Range	60 years
Standard deviation	10.93 years

Table 2: Survey Questions and Answers

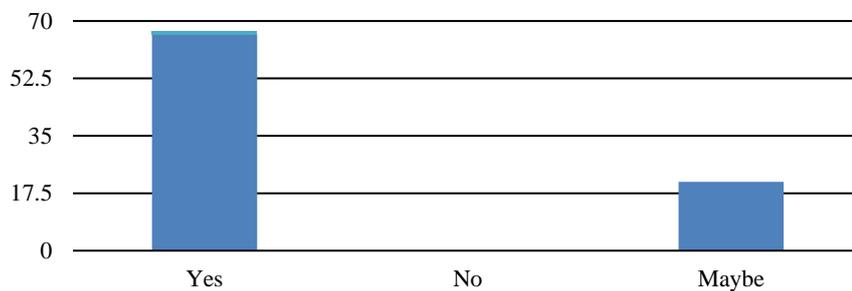
Questions	Percent of people answered YES	Percent of people answered NO	Percent of people answered MAYBE
Does Social Media influence your purchase choices?	62.9%	12.9%	24.1%
Does owning expensive/Luxurious goods give you a sense of superiority?	25%	42.5%	32.5%
Does owning expensive/Luxurious goods make you confident?	43.4%	32.2%	24.4%
Do you think owning expensive items has become a rat race?	78.7%	9.5%	11.8%
When sad or depressed do you feel the urge to shop?	23.3%	62.4%	14.4%
Do you feel people buy expensive items to hide their insecurities?	39.4%	21%	39.7%
Do you feel that people judge you on the basis of your material possessions?	56.3%	37%	33%
Do you think celebrity endorsements help in the selling of a product?	74.6%	16.1%	9.3%
Would you be happy if you spot a celebrity wearing the same item as you own?	57.5%	14.7%	27.9%
Do you feel that one's position elevates in his/her group if they own a luxurious product?	31.9%	39.9%	28.2%
Do you believe that social status is defined by material possessions?	37.1%	31.9%	31%
Is social recognition important?	53.2%	17.5%	29.3%

Apart from the above questions, they were also asked to choose one of the following A. *A mobile phone that satisfies your need and is recognised by society as cool and voguish, thus expensive.* Or B. *A mobile phone that satisfies your need but may hamper your reputation.* A total of 79.4 percent of people chose to go with option A.

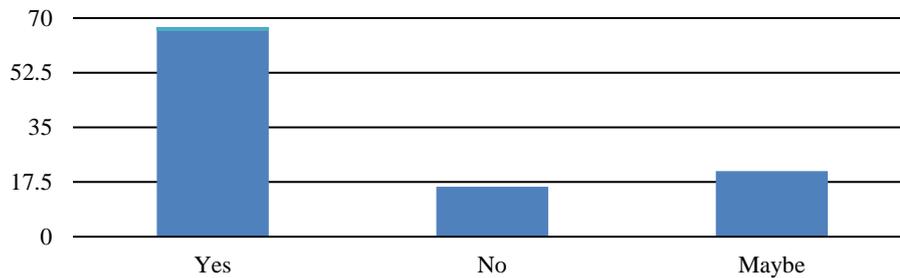
5. Results

From the results, it can be safely inferred most of the young adults from age group 18-21 were affected by Social Media. The following graph suggests that most of the 21-year-olds people responded yes when asked about the incline of Social Media on them. In fact, none of them answered 'no'. Whereas only fifteen 20-year-olds said that Social Media doesn't affect them.

It was also observed that most of the people feel confident if they own Luxury Goods, which also suggests that indulging in conspicuous consumption helps them overcome their insecurities. The peak is observed at the age of 20 and 21, suggesting that people belonging to this age group may indulge in conformism. It has also been observed that one of the motivations behind people buying expensive goods and resorting to conspicuous consumptions could be to 'fit in' their peer group especially in the case of young adults. 74.6 percent of people said yes when asked if they would be happy if they spotted a celebrity wearing the same item as you own which suggests that people look up to famous personalities and would someone want to be like them and would be happy in associating with them on any grounds possible. The response received was very mixed when our subjects were asked if they feel that one's social position elevates if they own a luxurious product. The peaks of all the three options coincide, which implies that for some people owning expensive goods is related to their status in their group.



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Figure 1: Age Group of People most Affected by Social Media

The subjects were given two choices: To choose a Vougish phone which is trendy or a normal phone that will satisfy their needs but is not trendy. The survey shows that 79.4 percent have chosen wants over needs. They opted for products which will provide an evidence of their social status.

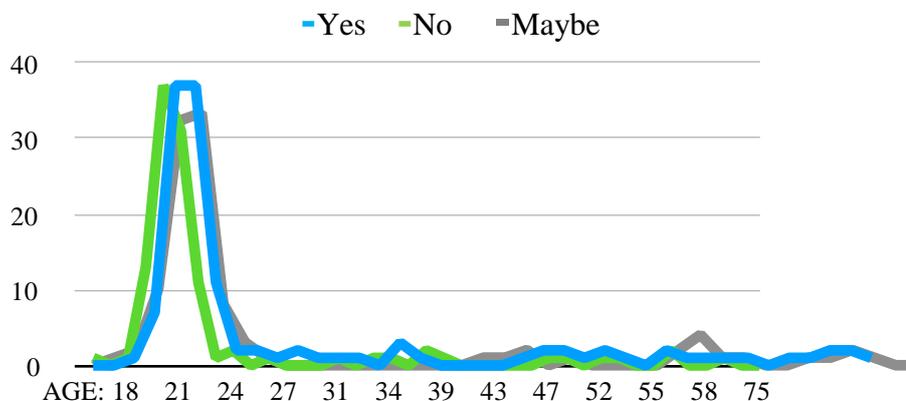


Figure 2: When asked if they Feels that Social Position is Affected by Owning Luxurious Products.

6. Conclusion and Discussion

Conspicuous consumption still exists in today’s time, and it doesn’t seem that it will die down soon, and most of the young adults indulge in this kind of buying behavior and believe that expensive, luxurious goods provide evidence of their social class and may elevate their position in their peer group. This buying pattern can be related to conformism since people want to fit in their peer groups by changing themselves or their behavior and indulging in activities deemed as ‘right’ by their friends. People believe that social standing is an important aspect of their life and hence sometimes feel judged if they do not own ‘fashionable’ or ‘up to

date' products. In fact, people would keep their wants above their needs. They will readily fritter away more money on a product if it provides proof of their wealth and social status.

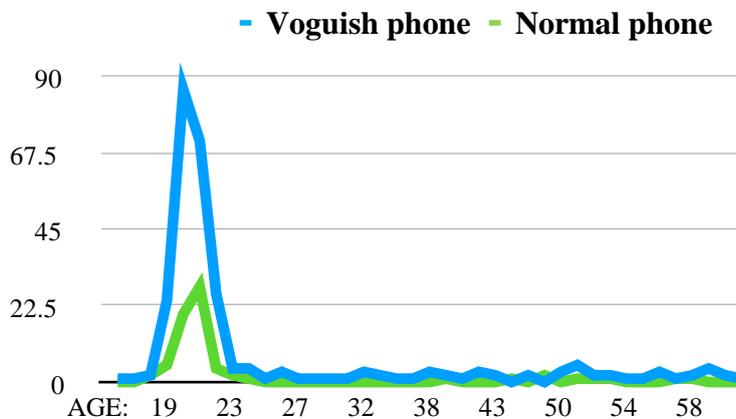


Figure 3: The Response of People when asked to choose a Voguish Product of the Normal Product which is not Trendy.

According to the theory of reference groups (Robert K Merton), people compare themselves with certain individuals who hold a certain social position which these people aspire to occupy. This leads to the evaluation and reconsideration of their qualities and attitudes. Thus by applying this theory to our research we can firmly conclude that people aspire to be like those who have a higher social standing than them. This leads to people indulging in conspicuous consumption and activities which will help them believe that they are at a high social standing than others. In some cases, publicly visible goods help people feel confident and hence hide their insecurities. Lastly, since people are affected by the people endorsing a product, it can be believed that conspicuous consumption leads to economic growth and hence is the reason behind the swelling of luxury markets.

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