

NOTES AND COMMENTARIES

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Conspicuous Consumption: Is That All Bad? Investigating the Alternative Paradigm

Himadri Roy Chaudhuri and Sitanath Majumdar

Executive Summary

Effort in studying the phenomenon of conspicuous consumption can be adequately justified by the concept's near universality and timelessness. The Theory of Veblen presents conspicuousness as a purposive conduct in which status considerations predominate. His opinion regarding individuals' efforts "to excel in pecuniary standing" indicates his positioning of conspicuous consumption as consumers' deliberate, conscious activity to achieve the objective of status enhancement. Our everyday experience suggests that the nature of conspicuous consumption (CC) is going through a change, which remains largely unaddressed by the extant literature (for details see, Chaudhuri and Majumdar, 2006). This calls for a closer investigation of the dynamics of a more contemporary perspective of CC and the present paper takes an attempt at the same.

For long, in modern societies where 'order' is of supreme importance, CC has been considered as a 'sinful,' 'wasted' expense that delivers no value. Possibly because of this, lavish expenditure was branded wasteful as the practice symbolized exception (Mason, 1981) or "disorder." However, with evolving ideologies of postmodernism, consumption also gradually moved to the symbolic realm. This symbolic consumption helps the consumer to express his/her self and achieve a sense of continuity and identity. By adopting abstract interpretations and ascribing complex cultural meaning to products, those with "higher" taste but less money would aim to compete with those with money but no matching taste. The cultural 'elite,' thus, can make even a mundane or an easily affordable product to express and exhibit their exclusive taste, by sophisticated, in-depth appreciation and appropriate communication of these 'taste-symbols' which, by design, remain distinct from 'status-symbols'.

Based on the above discussion, the paper proposes an alternative conceptualization of the conspicuous consumption construct and also discusses the marketing implications.

KEY WORDS

Cultural Capital

Conspicuousness

Identity

Symbolic Consumption

Postmodernism

By looking into any standard English dictionary for the meaning of the word, “conspicuous,” one gets a variety of lexicographic entries including “eye catching” and “prominent”; but the word acquires a significantly different connotation in the context of “consumption” when it clearly indicates the phenomenon of ‘wasteful and lavish consumption expenses to enhance social prestige.’ Based on observation, more than a hundred years ago, Thorstein Veblen (1899) proposed that the American rich were spending a significant portion of their time and money on unnecessary and unproductive leisure expenditures and coined the term, conspicuous consumption, to describe such behaviour; this linguistic construct has been used so widely that it has entered into popular English lexicon only in this particular sense of the term.

Effort in studying the phenomenon of conspicuous consumption can be adequately justified by the concept’s near universality and timelessness; McCracken (1987) notes that “conspicuous and competitive consumption are especially important to the study of the history of consumption because they play an important role in the growth of a consumer society.” However, any analysis of consumer behaviour has to be done in the perspective of changing economic-political-social contexts and the assessment of the construct cannot be an exception. The focus of this paper is restricted to the discussion and analysis of some important theoretical work on the subject, from the perspective of changing time, evolving business principles and ideologies, and to propose an alternative explanatory dynamics of the construct via an interdisciplinary framework. In the process, the original Veblenian thesis is extended through a review, refinement, and integration of divergent concepts in order to arrive at a meaningful conclusion regarding the contemporary nature of this construct.

GENESIS OF THE CONCEPT

The Theory of Veblen presents conspicuousness as a purposive conduct in which status considerations predominate. His opinion regarding individuals’ efforts “to excel in pecuniary standing” (Veblen, 1899) indicate his positioning of conspicuous consumption as consumers’ deliberate, conscious activity to achieve the objective of status enhancement, a bold distinction from the established neo-classical economics perspective. During this period of the evolution of capitalism and strongly es-

tablished feudalism, the urban *nouveau riche* used to spend huge sums of money on grand feasts, betting, musical extravaganzas, and other ostentatious events. At the same time, the marketers and advertisers created such possession-related imageries (Turner, 1965), leading to legitimization of consumption as a source of social- and self-identity. Thus, expenditures that had previously looked extravagant, started to gain a valid personal and social function and, for consumers, the acts of buying and consuming gradually became the most important end in itself, rather than the use or practical value of the goods themselves.

DYNAMICS OF CONSPICUOUS CONSUMPTION: TOWARDS A MORE CONTEMPORARY TREATMENT

Our everyday experience suggests that the nature of conspicuous consumption (CC) is going through a change, which remains largely unanswered by the extant literature (for details see, Chaudhuri and Majumdar, 2006). This calls for a closer investigation of the dynamics of a more contemporary perspective of CC. Moreover, new marketing opportunities may also be explored based on these assertions. For long, CC has been considered as a ‘sinful,’ ‘wasted’ expense that delivers no value (see Mason, 1981 for details). An explanation for this can be found in the prevailing social philosophy. Jameson (1983) asserted that the period between the late nineteenth century (when the *Leisure Class* was written and debated) and the mid-twentieth century (about WWII) in Western Europe, England, and the United States were largely characterized by monopoly capitalism and modernistic cultural practices. The philosophy of ‘modernism’ euphemized rationality, creating order out of chaos and despised “disorder” which might disrupt order. Thus modern societies rely on continually establishing a binary opposition between “order” and “disorder” so that they can assert the superiority of “order.” But to do this, they have to have things that represent “disorder” — modern societies thus continually have to create/construct “disorder.” Possibly because of this, lavish expenditure was branded wasteful as the practice symbolized exception (Mason, 1982) or “disorder.” However, rapid changes in the Western World broke the *status quo* of long-established social-political-economic structures, and new ideas in the fields of sociology, philosophy, and business started to gain ground. The post-War era was marked by a far more rapid spread

of capital across boundaries, resulting in the establishment of a clear hegemony of capitalistic ideologies and fast developments in and penetration of digital technology and communication sciences. In this stage of capitalism, especially from a period starting from the late '70s, emphasis was gradually being placed on marketing and consuming commodities, but not on producing them and this period has often been related with postmodernism (Baudrillard, 1975, 1981; Ewen, 1988; Mourrain, 1989). The post-modern consumption processes, cultures, and consumers are qualitatively different from those of the past: "the simpler 'rational' consumer of the past was replaced by a more complex consumer" (Firat, Dholakia and Venkatesh, 1995). The importance of self and social images has given rise to the phenomenon where products serve as symbols, and are evaluated, purchased, and consumed based on their symbolic content (Zaltman and Wallendorf, 1979). When consumption moves to the symbolic realm, is it possible to accomplish distinctive displays even with material possessions, those which are not characterized by 'expensiveness'? This question would perhaps lead us to enquire about the existence of a 'more fundamental' theory of conspicuousness.

CONSPICUOUS CONSUMPTION: INTEGRATIVE FRAMEWORK AND ALTERNATIVE PARADIGM

However, symbols do not arise out of a vacuum. They are created and introduced into the consuming sector by a production process. This production process is, in itself, a social phenomenon (Hirsch, 1972), involving multiple participants. Thus, it is important to realize that a sociological process underlies the production of symbols and their introduction into the society. The centrality of symbolism to the interpretation of social reality and the nature of the symbol system acquire meaning only when placed in the context of contemporary culture. The material goods produced by a culture have symbolic properties with meanings shared by the members within that culture (Solomon, 1983). Thus the so-called 'status symbols' differ from culture to culture — A gold bangle in a sophisticated rich, old family or an iPod, mobile among the trendy young contemporary urbanite — A product may carry a varied range of meanings since the creation of meaning is not deterministic and unidirectional, and each individual may ascribe different and inconsistent cultural meanings to a product depending on the extent to which they share the collec-

tive imagination (Elliott, 1994). In the socialization process, the consumer learns not only to agree on shared meanings of some symbols but also to develop individual symbolic interpretations of his/her own. The consumer uses these symbolic meanings to construct, maintain, and express each of her/his multiple identities. Users driven by social values choose products that convey an image congruent with the social image they wish to project (Sheth and Gross, 1991). The individual's self concept is, thus, largely a result of others' appraisals and attributions. It is essentially a projection of how one appears to others — seeing oneself in others' eyes or, for that matter, the proverbial 'looking glasses self' (Cooley, 1902). Consequently, this appraisal by the significant others is incorporated into self-definition of the consumer. But it requires the mediation of a constellation of products to properly communicate the desired self-image. Holman (1981) argued that there are three things that enable products to act as communicators — visibility in use, variability in use, and personalizability. Personalizability of the product denotes the extent to which the use of a product can be attributed to a stereotypical image of the general user. For a product to have personality association, it has to be consumed *conspicuously*. The social value of the product, derived from its association with the distinctive social group, helps individuals to increase their social visibility. This symbolic consumption helps the consumer to categorize herself/himself in the society, to ease her/his self-transitions (e.g., from non-working to working) and to achieve her/his sense of continuity (Belk, 1988). In the socialization process, the consumer learns not only to agree on shared meanings of some symbols but also to develop individual symbolic interpretations of her/his own. The consumer uses these symbolic meanings to construct, maintain, and express each of her/his multiple identities.

Thus, socially consumed products are utilized most often in instances of symbolic consumption (Hyatt, 1992), consumers being more likely to use products that are socially visible to others to communicate their identity (Hwan Lee, 1990). It is therefore important for individuals to determine how other people in their social group might interpret the meanings of certain products and brands (Ligas and Cotte, 1999). Consumers' use of these symbols encompasses both these facets of the symbolic use of consumption to signify social distinction — *us vs*

them. Drawing from social identity and social categorization theories, relational demography researchers (Tsui *et al.*, 2002) have indicated that through social categorization individuals perceive others either as members of the same category (in-group) or a different category (out-group) — to establish a positive social identity, individuals tend to see in-group members as more attractive than out-group members. This assertion is also supported by the Social Identity Theory (Tajfel and Turner, 1986) which suggests that individuals seek to enhance their self-esteem by identifying with specific social groups and they actively try to protect their own distinctiveness or perceived similarity with the other groups (Hornsey and Hogg, 2000). This social distinction can be seen as an innate human characteristic that enables him to succeed in resource competition. Again distinction is not only a function of social behaviour but is also impacted by the individualistic orientation of the individuals — the need to maintain our individuality is particularly strong, a desire for individuation — for being distinguishable from others in some respect. This sense of identity not only helps distinguish the individual from the masses but perhaps also make him feel like the others, and this depends on how the consumer defines her/his self-concept (Elliot and Wattanasuwan, 1998). This conjecture is also supported by the Optimal Distinctiveness Theory (Brewer, 1991), which states that our social identity, or the categories of people we choose to associate with, is created to resolve the fundamental tension between the needs for validation and the similarity to others and a countervailing need for uniqueness and individuation. We may want to be like others (when we have to stay in groups), but not at the cost of losing our personal identity. In general, we want to be like others — especially those we like or respect — but we don't want to be exactly like these persons, because that would involve giving up our individuality. This distinctiveness is expressed through possession and consumption (Snyder, 1992). All the more scarcity of products provides a vehicle for establishing one's speciality when consumers' need for uniqueness (NFU) is activated (Snyder, 1992). The scarcity helps provide the individual a communication route to express his distinction to the significant others (hence, conspicuous) — an activity which has closer links with the previously explained set of phenomenon. Snyder (1992) feels that scarce products provide a vehicle for defining one's sense of self. Empirical studies have shown that individuals often

place a higher economic value on rare or scarce products (Lynn, 1991) and perceive scarce products as having more prestige than products which are readily available (Verhallen and Robben, 1994). Now what is scarce in a social context? According to Bourdieu (1984), people draw on three different types of resources (economic, social, and cultural capital) to compete for status, referred to as symbolic capital (Holt, 1998). Economic capital relates to the financial resources available to the individual while social capital covers the relationships and social networks that influence individual behaviour (Trigg, 2001). Bourdieu wrote about 'cultural capital' as knowledge that is accumulated through upbringing and education. Cultural capital consists of a set of 'socially rare and distinctive tastes, skills, knowledge, and practices' (Holt, 1998). Cultural capital is distinct from other forms of capital because although it can be converted into both economic and social capital, it is the only type of capital which is determined and belongs solely to the culturally elite.

In the field of consumption, cultural capital influences one's preferences and tastes for particular product categories and/or brands. Therefore, status boundaries are reinforced simply by expressing one's preferences and tastes, referred to as one's "habitus". Although an individual may have economic capital that can be used to consume certain brands and products that may confer social standing without the necessary skills associated with high cultural capital, they will not occupy a higher social position. By adopting abstract interpretations and ascribing complex cultural meaning to products, those with "higher" taste but less money would aim to compete with those with money but no matching taste. 'Economic capital' does not easily and necessarily translate into 'cultural capital'. The cultural 'elite,' thus, can make even a mundane or an easily affordable product to express and exhibit their exclusive taste, by sophisticated, in-depth appreciation and appropriate communication of these 'taste-symbols' which, by design, remain distinct from 'status-symbols'. Cultural capital along with economic capital is critical to the communication of social position through symbolic consumption. For example, the rise in the interests of the middle class in 'tribal art' (e.g., 'Chhau' dance, 'Madhubani' paintings in the Indian context), growth of 'taste-creators' like the interior decorators, chefs, fashion designers, etc., indicate the importance of cultural capital. Consumers are now

more prone to value aesthetics *over price* (the classical class marker), even relatively inexpensive materials can be sought-after products. Thus it is no surprise that, by studying the trends of ostentatious consumption, both Mason (1981) and Galbraith (1984) could observe that consumers have become more educated and they no longer consider outrageous flamboyance and extravagant spending as the leading symbols of status; conspicuous consumption can be done more through educated or “tasteful” expenditures than through flagrant exhibition of wealth. Further, Holt (1998) recognizes that “Objects no longer serve as accurate representations of consumer practices; rather, they allow a wide variety of consumption styles.”

In short, the change in the dynamics of conspicuousness can clearly be discerned; the previous emphasis on acquisition and exhibition of physical items shifts to experiences and symbolic image in the post-modern phase (Pine, Gilmore and Pine, 1999). The cultural “elite,” thus, can make even a mundane or an easily affordable product to express and exhibit their exclusive taste, by sophisticated, in-depth appreciation and appropriate communication of these “taste-symbols” which, by design, remain distinct from ‘status-symbols.’ Thus it can be proposed that CC behaviour is fundamentally governed by the following set of premises and principles:

- Socially distinctive consumption is a motivational process, and is reflected in the trait of the individual consumer’s personality.
- Socially distinctive consumption is a universal phenomenon and is *not* a compensatory activity but a vehicle for enhancing self-concept including self-esteem.
- Material objects signify access to resources that exist in a global societal system.
- Objects are valued for their symbolic communicative property rather than their intrinsic functional utility.

Based on the above discussion, we can propose an alternative conceptualization of the conspicuous consumption construct as a deliberate motivation to involve in symbolic and visible purchase, possession, and usage of products, which are characterized by the presence of scarce economic and cultural capital, to communicate a distinctive self-image to the significant others. Thus CC is an innate trait, an individualistic variable that motivates consumers to engage in visible form of consump-

tion in order to exhibit her/his uniqueness expressed through product selection and usage. It cannot be classified as a simple attitudinal variable that only develops or influences a certain product preference at a given situation.

DISCUSSION AND CONCLUSION

The concept of conspicuous consumption, as viewed by the scholars in marketing and economics, needs a substantial review and extension, in view of the changing global social order — a long-standing demand that, to a significant level, has been addressed in the present article. Going beyond the realm of indirect conceptualization, anecdotal treatment, the present work has tried to evolve a comprehensive, integrative approach to understanding this important consumption behaviour paradigm. The proposed conceptualization is likely to provide, may be in its more refined form, a significant theoretical tool in the hands of the academia for explaining various nuances of visible consumption. Thus, the theory fills up a gap in the literature that has so long suffered from inadequate theoretical underpinnings and predictability. The increasing income of the middle class in developing nations and the evolution of better manufacturing technology are limiting the scope for creating distinctive appeals based only on material scarcity (the usual price-based conspicuous consumption models found in the economics literature; for details Mason, 2000).

Today, the consumers are more conscious about the design and the looks of the product along with the functional benefits. It is the aesthetics, which creates the competitive advantage of the present day offerings and delivers value. Aligning the product offerings with the aspirations and expectations of the middle class is what is needed today. Simply creating more expensive items may not necessarily attract the new smart middle class consumers. Post-modern developments are significantly influencing the global nature of conspicuous consumption. Class markers (read Rolls-Royce), to some extent, may still be guided by the classical Veblenian dynamics and material possession, but the changing dynamics of socio-economic structure is also being felt. Increasing purchasing power, mass production, and dissolving trade barriers are gradually obscuring class differences, and consumption patterns are largely guided by the non-functional symbolic properties of the products (brands).

This form of symbolic consumption is further enhanced by conscious marketing efforts that highlight myriads of images and brand personalities, something through which consumers actively seek to express their distinctive identities. The whole new approach essentially gives us a fresh insight into the positioning, product planning

strategies, and marketing communication plans. A strong image building exercise and use of transformational positioning plank (Rossiter, Percy and Donovan, 1991) are suggested. The advertisement can reflect the elements of self-pride, esteem, exclusivity, etc. ✓

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Himadri Roy Chaudhuri is a faculty member in the Marketing Area at the Institute of Rural Management Anand (IRMA). His research interest lies in CCT, subaltern consumption, and in areas of private and public consumption.

e-mail: himadri@irma.ac.in

Sitanath Mazumdar is a Professor of Marketing in the Department of Business Management at the University of Calcutta. His areas of interest include marketing information system and consumer behaviour.

e-mail: sitanath_majumdar@rediffmail.com

The basis on which good repute in any highly organized industrial community ultimately rests is pecuniary strength; and the means of showing pecuniary strength, and so of gaining or retaining a good name, are leisure and a conspicuous consumption of goods

— Thorstein Veblen