

EXPLAINING VARIATION IN CONSPICUOUS CONSUMPTION: AN EMPIRICAL EXAMINATION

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INTRODUCTION AND LITERATURE REVIEW

This paper explains how the self-concept and a number of mediating traits impact luxury consumption. Even though Leibenstein (1950) described several “external effects” on utility, in marketing luxury consumption is still seen as a single, generic, behavior aiming at status gains (Han, Nunes and Drèze, 2010; Nelissen and Meijers, 2011). Research, however, points that external effects exist in luxury markets (Vigneron and Johnson, 1999; Tynan, McKechnie and Chhuon, 2010) and that one’s self-concept and personality could explain these behaviors (Wong and Ahuvia, 1998; Kastanakis and Balabanis, 2012). Hence, luxury consumption is very complex with many sub-variants and antecedents. While this has implications for managers and theory, there is little research (Kastanakis and Balabanis, 2012), on the factors leading into one or another of these behaviors. We propose a model where some traits act as mediators between the self (independent/interdependent) and three types of luxury consumption: snob, Veblenian and bandwagon. With the help of the literature and exploratory research (in-depth interviews with consumers and managers of luxuries), four traits appear to mediate this relationship: consumer need-for-uniqueness, vanity, status consumption, and consumer susceptibility to interpersonal influence.

METHODOLOGY AND RESULTS

Data were collected with a drop-and-collect survey from a probability sample of 431 actual consumers of luxuries in London. Established scales measured most of the key constructs. For the luxury consumption effects, measures had to be developed. All measures were pre-tested and had good reliability and validity (alphas were above .7 and AVEs above .5). Procedures to eliminate CMV were adhered to in advance; subsequent tests showed no evidence of CMV in the data. Three structural models were estimated: the model for the bandwagon effect has excellent fit ($\chi^2/d.f. = 2.255$, CFI = .921, RMSEA = .058 and $R^2 = .571$). The bandwagon effect is positively influenced by the interdependent self (.198) and negatively by the independent self (-.253). These impact bandwagon behavior through the mediating traits of status consumption (.535), consumer susceptibility to normative influence (.361), physical concern (.243), and avoidance of similarity (-.117). The model for the snob effect also fits data well ($\chi^2/d.f. = 2.247$, CFI = .904, RMSEA = .058, and $R^2 = .601$). The snob effect is mostly influenced by the independent self (.475) and less by the interdependent self (.133). These impact snob behavior through the mediating traits of status consumption (.424), avoidance of similarity (.379), creative choice counter-conformity (.299), unpopular choice counter-conformity (.111), physical concern (.121), and consumer susceptibility to normative influence (-.103). The last model fits the data very well too ($\chi^2/d.f. = 2.251$, CFI = .921, RMSEA = .058 and $R^2 = .498$). The Veblen effect is better explained by the mediating traits alone (marginally from the self-concept: .098 interdependent self and .011 independent self). Hence, Veblenian behavior is influenced by status consumption (.675), physical concern (.172), and creative choice counter-conformity (.134).

DISCUSSION AND IMPLICATIONS FOR THEORY AND PRACTICE

We extend work on signaling, conspicuous, and luxury consumption by contributing to a better understanding of the individual-level antecedents behind three different behaviors of luxury consumers. Specifically, this is the first empirical study that looks at variations in luxury consumption from an individual differences’ perspective. We show that different (dominant) self-concept orientations result in three distinct luxury consumption behaviors via the mediating traits of status consumption, consumer need-for-uniqueness, physical vanity and consumer susceptibility to normative influence. Hence, not all consumers will respond similarly to generic luxury-triggering stimuli. We provide a parsimonious framework, with good explanatory power, highlighting the relative importance and tensions that exist among the traits that influence different luxury consumption effects. Our study can also form the basis for new research in various sub-types or variants of luxury consumption behaviors. On the practical side, the findings provide help to managers in a) segmenting their markets, and b) evaluating and predicting consumers’ reactions to variations in their offerings and communication. The reported structural relationships should be tested in additional contexts, such as “extreme” individualistic (e.g. USA) or collectivist (e.g. Asian) cultures, to test whether cultural forces moderate the identified relationships.

REFERENCES

References Available on Request