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Conspicuous consumption of the neglected majority: Low-income consumers in a Non-Western culture

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While conspicuous consumption has been a topic of interest in academia for many decades, little attention has been paid to the consumption behavior of low income consumers. In rarity of such studies, this study aims to contribute to the literature by investigating the symbolic and conspicuous consumption of this neglected majority, if/how they spend their limited resources on conspicuous consumption and the underlying dynamics behind. A qualitative approach was adopted with in-depth interviews, allowing participants to express their thoughts and feelings freely. The preliminary findings indicated a tendency of low-income consumers to engage in conspicuous consumption, as previously stated in literature. However, we also observed that in some occasions, this tendency was due to the social pressure to conform rather than an intentional action for showing-off. Further dynamics are also discussed about consumers’ critics towards conspicuous consumption.

Key words: Consumption, conspicuous consumption, low-income, conformity, pecuniary emulation.

INTRODUCTION

The symbolic aspect of consumption has been long recognized and studied by consumer researchers. Consumers define themselves and others in terms of possessions which are symbols of personal qualities and interests (Levy, 1982; Solomon, 1983; Belk, 1988; Wallendorf and Arnould, 1988; Fırat and Venkatesh, 1995; Elliott, 1997). Wattanasuvan (2005) suggests that consumption symbolism is negotiable and subject to different interpretations and expectations of the society or group in which we live. We use these symbolic meanings to locate ourselves in the society as well as for self-creation and self-expression.

Conspicuous consumption (Veblen, 1899) as the focus of this study is one facet of consumption symbolism. In order to ensure social conformity and reach the desired social status, individuals alter their consumption patterns to signal the traits of the desired social class and to be considered as one of its members. At that point, consumers involve in overt consumption of possessions (O’Cass and McEwen, 2004). While most of the previous research has been conducted in Western context with mundane consumers, little attention has been paid to the consumption behaviors and patterns of low-income consumers. A reason behind this might be the thought that low-income consumers are unprofitable or not a desired target segment. However, Belk (1988) stated that regardless of the income level, consumers attach more importance to conspicuous consumption than even food and shelter. In consideration of this indifference regarding the conspicuous consumption among people from different income levels and following the suggestion of Hamilton and Catterall (2005) for the need of future research with low income consumers, this study aims to investigate the consumption behavior of this less advantaged consumer segment in a non-western context.

Conspicuous consumption

According to those scholarly perspectives who are inspired by the neoclassical theory of consumption, individuals try to maximize the utility according to exogenous preferences and consumers are fully rational...
in their consumption choices. The theory assumes that motives behind consumption is well-defined, insatiable desires which are not related to or affected by any social interaction, culture or significant others. Neoclassical theory indicated that the reasons behind consumption choices are limited to price, income and personal taste (Hayakawa and Venieris, 1977; Ackerman, 1997) and consumer choices are assumed to be independent. Ackerman (1997) named this assumption of neoclassical theory as “asocial individualism” which refers to the independency of the exogenous preferences of consumers' from social institutions and interactions with/observations of others. However, this interdependency and rationality assumption is away from being a description of the actual decision making, as consumers lack the perfect knowledge and confidence required in consumption choices (Lavoie, 1994). With a better perspective of the dynamics behind these choices, Veblen ([1899] 1994) criticized the assumptions of the neoclassical theory with the theory of conspicuous consumption. According to this theory, consumption preferences are determined by the actual and desired positions of people in the social hierarchy. Veblen (1899) pointed at two important motives for conspicuous consumption: invidious comparison and pecuniary emulation. Invidious comparison refers to the effort of a consumer in higher class to distinguish him/herself from other members of that class. This means that members of higher social classes try to distinguish themselves from others by investing in conspicuous consumption to avoid imitation. In contrast with the desire for uniqueness in invidious comparison, pecuniary emulation refers to the conspicuous consumption of an individual who is a member of low-social class and wants to be considered as one of high social class.

In Veblen’s theory of conspicuous consumption, utility is based on consumption and status rather than prices (Bagwell and Bernheim, 1996). Thus, Veblen effects refer to the willingness for paying more for a functionally equivalent good. Corneo and Jeanne (1997) have also indicated that price is accepted as an indicator of quality however, in the present approach of conspicuous consumption, price of the good signals the quality of the consumer rather than the good itself.

Status consumption and conspicuous consumption are often used interchangeably in previous studies while O’Cass and McEwen (2004) pointed at public demonstration as the distinction between status consumption and conspicuous consumption. They suggest that status consumption emphasizes the personal nature of buying and having status-laden products and brands which may or may not be visible or publicly demonstrated whereas conspicuous consumption focuses on displaying wealth by possessions. Social visibility is a key dimension of conspicuous consumption (O’Cass and McEwen, 2004).

Previous research found out differences between women and men in terms of their tendencies of conspicuous and status consumption (Tse et al., 1989; Eastman et al., 1997; Auty and Elliot, 1998; O’Cass 2001). O’Cass (2001) indicated in his study of fashion clothing that, females have greater tendency than males for communicating who they are and their status by means of their possessions. O’Cass and McEwen (2004) also suggested that young males place more importance on conspicuous consumption but there are no significant differences found among genders in the tendencies of status consumption.

According to the findings of O’Cass and McEwen (2004), reference groups, self-monitoring orientation and gender influence the tendencies of status and conspicuous consumption. In addition, their study pointed out that self-monitoring influence the desire for status consumption but not for conspicuous consumption. Self monitors are people that observe and control their behaviors in order to ensure a socially acceptable self-representation. High self-monitors may modify their behaviors according to the requirements of the social context as they place more importance on their self-representation than their inner selves (O’Cass and McEwen, 2004). Therefore, high self-monitors may place more emphasis on conspicuous consumption to ensure social conformity.

Conspicuous consumption and low-income consumers

There are mainly two streams in the literature which indicate different points of views in terms of the participation of low-income consumers to conspicuous consumption. One stream states that low-income consumers will not be able to engage in conspicuous consumption behaviors due to their limited incomes (Bagwell and Bernheim, 1996). According to this stream, mostly endorsed by the neoclassical theory of consumption, consumption choices and decisions should be rational especially in the case of a limited income. Bagwell and Bernheim (1996) have indicated that, conspicuous consumption reduces the amount spent on other goods therefore; conspicuous consumption is relatively more costly for individuals with low-incomes. This means that marginal cost of conspicuous consumption is higher in low income which will prevent them from consuming for conspicuousness.

On the other hand, the other stream in the literature underlines the unique properties of human behavior regardless of the income level and indicates that low-income consumers are also engaging in conspicuous consumption behavior. Veblen (1899) suggested that conspicuous consumption, as the most important determinant of consumer behavior, refers to spending money on goods in order to indicate wealth to other members of the society and this is valid not just for the rich but for all social classes. In addition, he indicated that...
even the poorest people engage in conspicuous consumption. Similarly, Belk (1988) argued that, even in the developing countries, the level of importance people attach to conspicuous consumption is highly evident. This means that regardless of the income level or social status, people consume for social acceptance and to enhance their social status.

As stated previously, Hamilton and Catterall (2005) underlined the importance of low-income consumer segment as they tend to be loyal customers. The authors also pointed out a direction for future research on the effects of reduced consumption on identity formation. In consideration of the rarity of studies with low-income consumers, this study aims to contribute to the literature by investigating if and how low-income consumers spend their limited resources on conspicuous consumption and what are the dynamics behind.

**METHODOLOGY**

In consideration of the aim of this study, which is to explore the underlying reasons and meanings behind the consumption patterns of low-income consumers, we have adopted a qualitative approach due to its strength in allowing a deeper understanding of the topic under investigation (Mariampolski, 2001). Qualitative research deals with consumers’ complex processes of creating meaning, their inner lives, contradictions, and different mechanisms to make inferences from “what is observable to what is underlying” (Levy 2005, p.344). The research questions of this study require a deep understanding of the experiences, psychological states, emotions, and contradictions of low-income consumers which necessitates the adoption of qualitative research techniques. In spite of the dominance of quantitative techniques in previous researches, Chung and Fischer (2001) indicated in their quantitative study of conspicuous consumption that a future research direction is to use qualitative research techniques, allowing participants to express their thoughts and feelings freely.

Twelve in-depth interviews were conducted with low-income consumers in Turkey. Participants consisted of consumers living in suburban areas of the city who are either working with minimum wage or unemployed. Table 1 summarizes brief background information about the participants. Our interviews were semi structured with an interview protocol indicating the main themes with a short list of open-ended questions. As suggested by Rubin and Rubin (2005), follow-up questions were asked to get more depth and to reach a deeper understanding on the response given by the interviewee.

Interviews were recorded with the permissions of the participants to ensure that no information was missed during the interview. Records were transcribed and coded immediately after the interviews in order to understand if there was a necessity to revise the questions or the scope of the interviews, as also suggested by Rubin and Rubin (2005).

One of the most challenging parts of this research was to warm up participants for the interview and to make them feel free while answering the questions. As we were asking questions about how participants spend their limited incomes, we realized in the first two interviews that we needed to spare longer warming sessions in order to ensure participants’ comfort and sincerity. Another important point to be taken into consideration was the environment in which the interview was taking place. The first two interviews were conducted at researchers’ office and we observed that participants were not comfortable enough to express their ideas freely. Therefore, we decided to conduct the forthcoming interviews at the places they work or at their homes where the participants could feel more comfortable. In addition, we were careful about our outfit to ensure that they did not feel any distance or discomfort in terms of social status between themselves and the researchers.

In non-western cultures, one of the main components of effective communication is to pay importance to express your sincerity to the counterparty. We observed that participants were uncomfortable in the situation when we were calling them Mr. or Mrs. Instead, we preferred to call them “sister” and “brother”, which are expressions of sincerity and respect, and make them feel much more comfortable and confident.

One of our participants indicated after the interview that she was not comfortable with the tape-recorder and she kept looking at the machine continuously during the interview. Thus, after taking the permission to record the interview, we preferred to put the recorder as far as possible to ensure that the participants forgot about its presence.

As suggested by Carson et al. (2001), data collection continued until the respondents became repetitive and no new themes or categories emerged. Data derived from the interview transcriptions were

**Table 1. Participants of the study.**

<table>
<thead>
<tr>
<th>Pseudonym</th>
<th>Age</th>
<th>Gender</th>
<th>Occupation</th>
<th>Marital status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ayla</td>
<td>29</td>
<td>Female</td>
<td>Cleaner</td>
<td>Married with one child</td>
</tr>
<tr>
<td>Fehmi</td>
<td>32</td>
<td>Male</td>
<td>Cleaner</td>
<td>Married</td>
</tr>
<tr>
<td>Gül</td>
<td>40</td>
<td>Female</td>
<td>Housewife and part time cleaner</td>
<td>Married with two children</td>
</tr>
<tr>
<td>Hatice</td>
<td>40</td>
<td>Female</td>
<td>Cleaner</td>
<td>Married with two children</td>
</tr>
<tr>
<td>Derya</td>
<td>30</td>
<td>Female</td>
<td>Cleaner</td>
<td>Married</td>
</tr>
<tr>
<td>Halime</td>
<td>42</td>
<td>Female</td>
<td>Canteen Stuff</td>
<td>Divorced with two children</td>
</tr>
<tr>
<td>Seda</td>
<td>40</td>
<td>Female</td>
<td>Canteen Stuff</td>
<td>Married with two children</td>
</tr>
<tr>
<td>Aysun</td>
<td>45</td>
<td>Female</td>
<td>Housewife and part time cleaner</td>
<td>Married with two children</td>
</tr>
<tr>
<td>Sevim</td>
<td>29</td>
<td>Female</td>
<td>Sales Representative</td>
<td>Married</td>
</tr>
<tr>
<td>Nuran</td>
<td>42</td>
<td>Female</td>
<td>Tailor</td>
<td>Married with three children</td>
</tr>
<tr>
<td>Ahmet</td>
<td>32</td>
<td>Male</td>
<td>Cleaner</td>
<td>Married</td>
</tr>
<tr>
<td>Fatma</td>
<td>27</td>
<td>Female</td>
<td>Housewife</td>
<td>Married</td>
</tr>
</tbody>
</table>
coded and clustered in a group of core categories. General findings of the study are discussed in the results section under various headings.

RESULTS

The preliminary findings of the study indicated a tendency of low-income consumers to engage in conspicuous consumption, as also previously suggested by (Belk 1988). However, we also observed that in most occasions, this tendency was due to the social pressure to conform rather than an intentional action for showing-off (to differentiate).

The following sections look at these different dynamics behind conspicuous consumption of low-income consumers.

Consuming conspicuously

“Our wage is limited, we do not have any other source of income. There are people who earn 500 TL and use cell phones with prices over 700 TL. Ok, showing off is nice, but there are no differences between phones with a price of 30 TL and 700 TL, if you can talk with it and send messages... Of course, my phone is also trendy! Our society has an illness for showing-off. While we are with friends, some put their telephone on the table before sitting; if they have a car, they put the car keys on the table.” (Fehmi, Male, 32, Cleaner).

Supporting the previous literature (Belk, 1988), our findings showed that regardless of the income level, all consumers may engage in conspicuous consumption, often for showing: “I have made it”. Paradoxically, some like Fehmi criticize the act of conspicuous consumption while performing it at the same time. For Fehmi and his friends, the intangible benefits of the product come ahead of its functional benefits.

“I will not use any other brands but Nokia. I can use Nokia for many years. I know that it is more expensive, but I am willing to pay for it. The functions are not important for me. I care about the look, I will not use a cell phone if I don’t like its look”. (Halime, 42, Female, Canteen Staff).

“Most of my income pays the bills and the rent, and there is no more left after they are paid. In winter for buying fuel, basic consumption such as food... things like that. We cannot afford buying clothes more than two or three times a year.
We do not have the opportunity to follow the trends or new fashion... I just use my cell phone to answer calls, I cannot even write a message... I use Nokia and Samsung; I do not prefer or never will buy any other brands”. (Seda, 40, Female, Canteen Staff).

Brands are used not only for their quality but as symbols of social status. As supported by our interviews, cell phones are among the most important signifiers of social status in Turkish culture. In order to understand the tendencies of people for conspicuous consumption, it is very useful to talk about their cell phones and explore the reasons why they prefer certain brands.

Nokia and Samsung are among the two most popular cell phone brands around the world. As stated by Solomon et al. (2002), intangible values such as self-fulfillment, sense of belonging, and need for respect are important factors that affect consumption preferences and increase the usage of branded products.

Although having limited incomes which just covers the bills and the rent, low income consumers could somehow afford buying brands like Nokia and Samsung for the intangible benefits.

“I love jewelry. I also have rings but I don’t wear them now (she was wearing golden bracelets, earrings, and a necklace during the interview). Especially when we are going out, I wear whatever I have. Not more beautiful ones, but I try to wear more of them, the bigger ones. I have bigger ones but they are fake; I will wear those big and fake ones when going out”. (Derya, Female, 30, Cleaner).

Derya who was recently married, working as a cleaner with a minimum wage in a government institution, was wearing golden jewelry that was given to her as a gift during her wedding ceremony. She later mentioned during the interview that that jewelry was the only one she had. She also revealed that instead of using her golden jewelry which looked relatively plain, she chose to wear on lots of pieces of fake jewelry with expensive looks while going out with her husband. Derya pointed at the social pressure she felt behind this conspicuous behavior:

“I am newly married, if I go somewhere without wearing jewelry, I would be criticized. They will wonder if I hadn’t received any jewelry as gift in my wedding ceremony. In order to prevent this, I will put all my jewelry on.” (Derya, Female, 30, Cleaner)

Being afraid to be judged, Derya conforms to others’ expectations. As supported by symbolic interactionism perspective, people organize their behavior according to the general expectations of the society they live in (Armstrong, 2007). They alter their consumption behavior as a way of social acceptance. Derya’s behavior also illustrates Veblen’s (1899) pecuniary emulation perspective with her tendency to show status, acquiring possessions for reaching the desired positions in the social hierarchy.
Consuming conspicuously with the social pressure to conform

The symbolic meanings of the products we use can carry us to a higher social status or be used to conform to the values of the class which we wish to be a member of. Most of our participants stated that during their social interactions, they act carefully to ensure that they conform to the values and norms of the social environment they are in. In conformity with Leibenstein’s (1950) bandwagon effects, low-income consumers use specific products and brands to express themselves in the desired way and communicate a conforming image in order to be a member of the desired social class. Veblen also revealed the unconsciousness of conspicuous consumption and defined it as a necessary act due to the pressures exerted by the society on individuals (Trigg, 2001).

“They (guests) care for the things you serve them and their brands. Of course, tastes of branded products are different. Products with brands are liked the most... even the tea you serve. Çaykur (a good brand) is ok for example but if you serve a cheap tea, it is recognized. If you serve something cheap, your image will be destroyed. I even change the table cover; it is different than the one I use normally.” (Ayla, 29, Female, Cleaner)

Ayla attaches importance to the goods she uses during her social interactions. She replaces possessions at her home when her friends are visiting. For example, she replaces the table cover with a more elegant one and does not use that elegant cover after her friends leave. Those possessions are only used for guests, not for her or for her family. In contrary to Derya, she also indicated further in the interview that she would be accused of “showing-off” if she wears on her jewelry. In this case, she avoids wearing jewelry to ensure social acceptance. Hatice acts in a similar way:

“I change the table cover if I have guests. I change the things in my glass closet. I even change the curtains I use normally; I don’t want my guests to see my old curtains.” (Hatice, 40, Female, Cleaner).

She tries to communicate the message that she uses expensive and good looking products in her daily life and this is the way she lives normally. She keeps the precious possessions for guests in order to make them think that she is of high social class, which is really not the case.

“Brand loyalty occurs due to the social environment. Especially my son, my daughter is not affected that much. She chooses brands in special products such as shoes; she prefers Nike or Adidas. But my son looks for special brands in every kind of product, especially in cell phones. He uses Nokia; he wants the latest models with the highest technology. This is because of his friends. His friends have different levels of income but he tries to conform. For example, my son does not wear anything other than Adidas. His shoes should be Adidas; he says that he cannot wear anything else. I think he is under the influence of his friends. He may be alienated from the group, I don’t know much about their psychologies. Maybe he says “He wears it, why won’t I?” (Halime, 42, Female, Canteen Staff)

In a similar vein with the study of O’Cass and McEwen, (2004), Hatice stressed that her (young) son places great importance on consuming conspicuously in order to be and look like his friends, ensuring social conformity. Young males use brands as symbols to communicate the message that they are of the same social class although they may have lower levels of income compared to their friends. Halime also stated that her son does not want to see himself in a lower position in terms of social class or income level compared to his friends; if they worth wearing Adidas, then he is worth wearing it too.

In consideration of the theory and data derived from the interviews, it can be concluded that socially visible products are used as tools for social acceptance, conformity and to reflect a higher social status. In order to avoid the negative consequences such as discrimination or alienation, consumers try to conform to the consumption choices of the social class of which they desire to be a member of.

CONCLUSION AND FUTURE RESEARCH

The aim of this study was to explore if and how low-income consumers involve in conspicuous consumption behavior and to evaluate their consumption choices especially for socially visible products in order to have a deeper understanding of the reasons behind their behaviors. Preliminary findings of this study indicated that there is a tendency for conspicuous consumption in low-income consumers as well as other income classes in the society. However, in addition to be unaware of their own conspicuous consumption patterns, they criticize people who use their possessions as a means of the expression of social status and wealth. Therefore, it can be inferred that, though indicating conspicuous consumption to be unnecessary and harmful in the cognitive level, most of our participants engage in conspicuous consumption behaviors without even realizing. In a similar point of view with the study of Trigg (2001), it is possible to state that conspicuous consumption is seen as a necessary behavior in consideration of the pressures exerted by the society for social conformity and identification with higher social class. Most of the findings pointed out a tendency towards Veblen’s pecuniary emulation rather than the desire for individual comparison. The dominance of the desire for social conformity might be related to Turkish culture and tradition which emphasizes and values
collectivism and compliance. Though some studies in the literature regarding the cultural dimensions of individualism vs. collectivism stated that Turkish culture cannot be evaluated as merely collectivist (Göregenli, 1997; Yetim, 2003), there is a strong commitment and emphasis on family and group life which results in the necessity of socially acceptable behaviors and tendency towards conformity rather than uniqueness.

We have observed that regardless of their income levels, low-income consumers are careful about their consumption choices to reflect the membership of a higher social class. We did not expect to see displays of possessions such as golden jewelry or cell phones with highest technology. However, we observed that they preferred to use symbols of high social status without considering the effects of these high-priced products on their budgets. The consumption patterns of low-income consumers reflect pejorative emulation in varying degrees, which means that one of the most important benefits sought in products, is their ability to reflect owner’s membership of high social class. Brands are used as status symbols and more importance is attached to intangible benefits of the branded products rather than their functional benefits.

In addition to interviews conducted in suburban regions with low-income consumers, future interviews can be conducted in rural areas in order to investigate possible effects of social differences between urban and rural regions. In consideration of the data derived from the interviews regarding the tendency of conspicuous consumption among youth and especially young males, more interviews can be conducted with younger consumers to explore the reasons behind their consumption preferences.

REFERENCES


