

What Drives Conspicuous Consumption? – The Case of Chinese Consumers

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Abstract

Conspicuous consumption refers to a type of consumer behavior that people display wealth by spending a large proportion of their incomes on luxury products and services (Trigg, 2001). Different from other goods, the satisfaction that conspicuous goods provide buyers often comes from audience's reaction, as opposed to product's actual use (Wong, 1997). In other words, consumers exhibit certain conspicuous consumption behaviors due to their hopes to be seen more favorably in the greater social hierarchy (Podoshen, Li, & Zhang, 2011).

Chinese consumers present lucrative growth opportunities for the world's leading consumer product manufacturers and retailers that particularly target the luxury and upscale layer of the Chinese market, highlighting a rosy display of conspicuous consumption in China. Consumers purchase products for material needs and social needs such as prestige and self expression (Belk, 1988). In this current study, we examine the direct impact of individual traits / factors (i.e. face consciousness, interdependent self-concept, and cultural capital) on conspicuous consumption of Chinese consumers. According to Midgley and Dowling (1978), personality traits as well as social participation affect new product adoption and search behavior. In this current study, we particularly examine the impact of the individual traits of face consciousness, interdependent self-concept, and cultural capital, as conspicuous consumption is closely related to consumers' desire for exclusivity and conformity, as well as social status (e.g. Amaldoss & Jain, 2005). We also examine the moderating effects of consumer innovativeness. This current study provides an insight into conspicuous consumption behaviors of Chinese consumers.

Consumers with strong face consciousness tend to relate consumption closely with high social needs (Bao et al., 2003). Individuals are inherently distinct with unique personal values, abilities, and preferences, while the interdependent self-concept suggests that individuals are bounded and influenced in their social, cultural, and familial relationships (Wong & Ahuvia, 1998). Therefore, an individual's behavior tends to be influenced by the self in relation to others in the same particular contexts (Wong & Ahuvia, 1998). Lastly, cultural capital can facilitate the process to attain certain social position and status (Tapp & Warren, 2010). Therefore, we propose face consciousness, interdependent self-concept, and cultural capital are positively related to the conspicuous consumption of Chinese consumers.

In addition, the elements of innovativeness are associated with factors such as an individual consumer's decision-making ability, independence, use of interpersonal communication, and relations with others (Midgley & Dowling, 1978). Therefore, we propose consumer innovativeness positively moderates the relationship between the individual traits (i.e. face consciousness, interdependent self-concept, and cultural capital) and conspicuous consumption of Chinese consumers.

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Relevance to Marketing Educators, Researchers and Practitioners: This paper attempts to fill the research gap about Chinese consumer in the conspicuous consumption literature.

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