Conspicuous Consumption in Cross-National Context: Psychological and Brand Antecedents

Paurav Shukla, University of Brighton, UK
Ekta Shukla, Freelance researcher, UK
Sangeeta Sharma, Birla Institute of Technology and Sciences Pilani, India

This study addresses the issue of conspicuous consumption among the British and Indian consumers, focusing on the psychological and brand antecedents, using the context of alcoholic beverages while employing a cross-sectional, survey-based methodology. The findings suggest that in both countries psychological and brand antecedents are of crucial importance among consumers in influencing their conspicuous consumption. However, the variables differ in their importance. The findings provide marketers an opportunity to engage with consumers by coupling the right mix of standardization and customization. The study is first of its kind explicitly investigating the conspicuous consumption in a cross-national context.

[to cite]:

[url]:
  http://www.acrwebsite.org/volumes/14889/volumes/ap08/AP-08

[copyright notice]:
  This work is copyrighted by The Association for Consumer Research. For permission to copy or use this work in whole or in part, please contact the Copyright Clearance Center at http://www.copyright.com/.
Conspicuous Consumption in Cross-national Context: Psychological and Brand Antecedents
Dr. Paurav Shukla, Brighton Business School, UK
Dr. Ekta Shukla, UK
Dr. Sangeeta Sharma, Birla Institute of Technology and Science, India

ABSTRACT
This study addresses the issue of conspicuous consumption among the British and Indian consumers, focusing on the psychological and brand antecedents, using the context of alcoholic beverages while employing a cross-sectional, survey-based methodology. The findings suggest that in both countries psychological and brand antecedents are of crucial importance among consumers in influencing their conspicuous consumption. However, the variables differ in their importance. The findings provide marketers an opportunity to engage with consumers by coupling the right mix of standardization and customization. The study is first of its kind explicitly investigating the conspicuous consumption in a cross-national context.

EXTENDED ABSTRACT
Since the publication of Veblen’s Theory of the Leisure Class over a hundred years ago the theory of conspicuous consumption remains a powerful critique of the neoclassical theory of consumption (Trigg 2001). Conspicuous consumption relates to the consumer’s behaviour of seeking to purchase goods and services for the status they confer, regardless of that consumer’s objective income or social class (Belk 1988; Eastman et al. 1999). It differs from mainstream consumption of regularly purchased goods as it satisfies not just material needs but also social needs e.g. social status and prestige. Mason (1984) observes that the classical ‘rational’ theories of consumer expenditure and decision processes do not readily accommodate conspicuous consumption due to the atypical nature of such behaviour.

Due to advances in technology and logistics, consumers are simultaneously being exposed to global conspicuous brands across markets for the first time. However, previous studies in this field have looked at a single nation and industry context e.g. clothing in Australia (O’Cass & Frost 2002), women’s cosmetics in the US (Chao & Schor 1998), and automobiles in the US (Amaldoss & Jain 2005) and the UK (Shukla 2008) and do not provide external validity with regard to a cross-national context. Moreover, Redding (1990) as well as Wong and Ahuvia (1998) observe that models developed with Western consumers in mind may not sufficiently explain behaviour of Eastern consumers. Furthermore, behaviour of consumers belonging to emerging markets which are observing unprecedented economic growth and wealth generation have also not been studied in details with regard to conspicuous consumption and demands further attention.

Several researchers provide various influential psychological factors relating to conspicuous consumption such as, gaining respect, popularity, being noticed by others, showing who I am in the presence of others, (Bagwell and Bernheim 1996; Marcoux et al. 1997). In addition, Solomon et al. (2002) suggest that consumers may purchase products or brands in order to obtain their intangible values and sense of accomplishment arguing that conspicuous consumption is a consequence of consumers’ desire to signal wealth. The factors representing intangible values were identified as symbols of success; symbols of prestige; indicator of wealth; indicator of achievement; interested in status; and enhances my image (Heath and Scott, 1998; O’Cass and Frost, 2002; Wong and Ahuvia, 1998).

According to O’Cass and Frost (2002) and Park et al. (1986), brands mirror psychological associations which are reflected in the broad spectrum of feelings (Gardner 1985; Malhotra 2003). Researchers including Belk (1988) and Sirgy (1982) have observed the influence of self-concept and brand-image congruency on consumer purchase decisions. Several other factors including brand familiarity (Alba and Hutchinson 1987; Kent and Allen 1994), brand awareness (Agarwal and Malhotra 2005; Chaudhuri 1997) and country of origin (Ahmed et al. 2002; Roth and Romeo 1992) have been observed to be influential in consumer decision making. However, studies in the area of conspicuous consumption have seldom focused on these issues.

The brief discussion above suggests that gap exists in our understanding of conspicuous consumption especially in a cross-national and in the emerging markets context. Therefore, the overall aim of this study is to develop a valid and reliable cross-national framework measuring how important are the psychological and brand antecedents in influencing conspicuous consumption as well as to identify the similarities and differences between the conspicuous consumption behaviour among consumers in different markets.

Two scales of measurement (psychological antecedent scale, brand antecedent scale) were employed to measure the above stated aim. The choice of the nations and industry for this study was influenced by the historical association of the product category with conspicuous consumption and the commonalities of the brands available. The countries selected for the study were India and the UK. As India was a British colony for over 3 centuries, there have been many macro and micro influences both nations have had on each other in terms of culture, language and consumption. While both countries share strong cultural and business ties they are hugely different on most macro and micro parameters. After researching several product categories within both markets, alcoholic beverages was found to be the most appropriate. Datamonitor reports (2007b, 2000c) state that both the UK and India share a larger chunk of their regional alcoholic drinks markets (UK being 22.3% of EU market and Indian 14.5% of Asia-Pacific market). However there are many differences between both markets (Ball and Bellman 2007). For example, in growth terms, the UK seems a mature and saturated developed market (growth rate predicted 1.8%) in comparison to the fast growing emerging Indian market (growth rate predicted 11.7%) however it was observed that the brands associated with conspicuous consumption were almost the same.

The study adopted a quantitative research methodology employing a structured questionnaire with a final usable sample of 271 in the UK and 278 in India. Structural Equation Modelling (SEM) as a technique was used to analyse and interpret the data. Several tests were performed to determine how well the model fits the data.

Overall, the results support the central argument of the study that psychological and brand antecedents are of crucial importance however, significant cross-national differences exist with regard to conspicuous consumption. It was observed that several psychological variables namely, gaining popularity, to be noticed by others and showing who I am were found to be strong predictors in both countries; however their impact varied significantly across the countries. In both countries consumers consume conspicuous brands for implicit reasons such as to gain popularity and to be noticed by others however they do not look for explicit image
association, or wealth indication. These findings contrast the theorised relationship between wealth, achievement and conspicuous consumption by Solomon et al (2002) and Trigg (2001). It was observed that British consumers focused on their actual self-concept in comparison to the Indian consumers who focused on others self-concept while consuming conspicuous brands. The study provides interesting implications for marketers regarding how to develop and manage meaningful engagement with customers in cross-national context.

REFERENCES


Consumer Perceptions of Service Quality: A Cross-National Analysis
James Agarwal, Haskayne School of Business, University of Calgary, Canada
Naresh K. Malhotra, College of Management, Georgia Tech, USA
Ruth N. Bolton, W. P. Carey School of Business, Arizona State University, USA

EXTENDED ABSTRACT

Global trade in services is growing faster than other areas and accounts for one fifth of world trade and almost two-thirds of the world’s total output. This growth in world trade has resulted in an increasing trend towards internationalization of services (Cicic, Patterson, and Shoham 1999) in both developed and developing economies. While, service quality is reportedly the most heavily studied construct in services marketing (Fisk, Brown, and Bitter 1993), scholars have noted the lack of rigorous theoretical and empirical studies in international services marketing (Axinn and MatthysSENS 2002). The purpose of this paper is to develop a theoretically and empirically supported conceptualization of service quality (SQ) that can be used to develop strategies for the global marketing of services.

There is a pressing need for rigorous research on this topic because there is a lack of consensus regarding the conceptualization of SQ. Although, the five-component framework of Parasuraman, Zeithaml, and Berry (PZB) (1988) has been the dominant perspective on SQ, there is a lack of consensus relating to its factor structure – i.e., are these determinants or dimensions? (PZB 1988; Cronin and Taylor 1992; Dabholkar, Thorpe, and Rentz 1996). Further, there is also lack of consensus in terms of its degree of generalizability in a cross-national and cross-cultural context (Winsted 1997; Kettinger, Lee, and Lee 1995). That is, do consumers across nationalities and cultures attribute similar salience to the five-components in their perception of service quality?

Our study develops and estimates a second-order model of SQ and evaluates its model performance versus alternative model conceptualizations. The model is based on the five-component framework of PZB (1988) – i.e. tangibility, reliability, responsiveness, assurance, and empathy. In the past, SQ has typically been conceptualized as a first-order factor, as antecedents, as one-factor model, and/or multi-item summary construct (e.g., Brady and Cronin 2001; Carman 1990). However, it has been suggested that SQ is a higher-order, multidimensional, and multilevel construct (e.g. Dabholkar et al 1996). Further, our study examines the validity of the proposed second-order SQ model within a nomological network and evaluates its model performance versus alternative model conceptualizations. Based on cross-cultural theories, we develop hypotheses regarding how consumer perceptions of the first-order dimensions of SQ differ between the USA and India. We also develop hypotheses regarding the effects of perceived SQ on attitude, satisfaction and behavioral intentions in these two countries.

We chose banking services as our study context because they are widely available in both countries and the banking sector is an important part of the service economy in each country. A structured survey questionnaire was prepared and administered in English in the USA and India.

We use a hierarchy of models for factor structure comparisons specifically when testing for a second-order factor model. In addition, we compare the structural model fit of the proposed model to assess its predictive and nomological performance. In relation to the best factor structure, our study confirms the superiority of the proposed second-order SQ model against the competing models. Further, cross national differences in service quality perceptions exist between USA and India.

REFERENCES


