**The Rise of Inconspicuous Consumption**

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Inconspicuous consumption – where brand signals are not readily apparent, available or visible to most consumers – is on the rise, even in Asia, which has typically favored conspicuous brands. This appears to be an oxymoron which challenges conventional branding theory; we argue it is redefining constructs such as luxury and class.

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## EXTENDED ABSTRACT

Since Veblen coined the term conspicuous consumption the received wisdom has been that wealthier consumers seek to distinguish themselves by flaunting wealth via luxury consumption the masses cannot afford. But recently terms such as 'luxury,' in a postmodern, multicultural, transnational, and urban world, have been reframed, giving birth to the concept of 'new luxury'. New luxury is where affordability, mass market proliferation, status divorced from social class and availability in the mass market can invert a brand's luxury status. This diminution of the term luxury is having a reciprocal effect on the appeal of conspicuousness at the upper end of the market.

There is evidence that the conspicuousness of brands rises with price, to a point, and then begins to decline, suggesting that those who can afford truly high end brands may prefer inconspicuous consumption (Berger and Ward 2010). This shift from conspicuous to inconspicuous signals can be seen in luxury brands – e.g., Louis Vuitton using a subtle V in the knitted pattern of a sweater rather than its formerly ubiquitous and easily identifiable logo (Dougan 2012). In part this may be because the rich prefer not to provoke envy and anger in times of economic austerity (Belk 2011; Ledbury 2012). In part it may be due to the desire of high status consumers to distinguish themselves from the over-the-top conspicuous consumption of the nouveaux riches and the aspirational consumption of lower status consumers who weaken a brand image by consuming more mass market versions of luxury goods, as with rapper consumption of "bling" jewellery and "chavs'" consumption of Burberry goods in the UK (Jones 2012; Nueno and Quench 1998; Silverstein and Fiske 2003; The Economist 2005; Thomas 2007; Wilson and Morgan 2011). And in part it may be that in an anonymous urban society with increasing options to temporarily rent or lease luxury purses, cars, and dresses, it is getting increasingly difficult to "know if the guy who drives past me in a Ferrari owns it or is just renting it for the weekend" (The Economist 2005). With urban anonymity it is also possible to sacrifice less visible "necessities" like food, medical care, and adequate shelter in order to afford more visible "luxuries" like designer clothing, watches, and mobile phones, which Belk (1999) terms "leaping luxuries." And for those who cannot afford to make such sacrifices, there are knock-offs and counterfeits. All these trends dilute the status signalling ability of luxury goods. In addition, there is evidence that those with well-established social status seek luxury goods not so much for their status signalling ability as for the pleasure they provide (e.g., Postrel 2008).

How can we understand this shift from conspicuous to inconspicuous consumption, and what are its implications? One clue can be found in a study by Charles, Hurst, and Roussanov (2007). Using nationally representative U.S. data they found that blacks and Hispanics devote a larger portion of their incomes to conspicuous clothing, jewellery, and automobiles than comparable income whites. They convincingly show that these differences are not due to preference differences, or histories of discrimination and a resulting need to demonstrate to store clerks and others that they can afford to spend (Mukerjee 2006). Instead they appear to be related to racial reference groups. That is, because overall blacks and Hispanics in the U.S. have lower incomes than whites there is a greater need to distinguish oneself and elevate one's status in order not to be judged by the stereotype of being poor. In order to do so, members of these disadvantaged groups spent less on lower visibility goods like education, health care, and savings. Whites, by contrast, come from a relatively privileged group and are therefore more inclined to spend inconspicuously, devoting more to health, education, and retirement savings and less to visible bling. Moreover, in states where there was less of an income gap between these minority groups and whites, the differences in conspicuous consumption were attenuated. There is also evidence that lower status groups in India spend relatively more on their weddings (Bloch, Rao, and Desai 2004) and that when wealthy Hong Kong residents move to Canada they engage in less conspicuous consumption than they did in their homeland (Chung and Fischer 2001). Such findings suggest that differential conspicuous consumption can take place outside of the U.S. and among different reference groups. Postrel (2008) suggests a similar explanation for the conspicuous consumption of nouveau rich consumers in otherwise poor countries such as the BRIC nations, which suggests that there should be a shift from conspicuous to inconspicuous consumption as these nations become wealthier.

Indeed, we can see this already in China, a country notorious for ubiquitous conspicuous consumption. Hermes is developing the inconspicuous luxury brand Shang Xia (http://www.shang-xia.com/en) which appeals to the elite in China. Inconspicuousness can also take varying forms in markets within Asia. For example, according to a survey reported by Chadha and Husband (2006), of Tokyo women in their 20s, 94 percent reported owning at least one Louis Vuitton item, 92 percent reportedly owned Gucci, with Prada (57 percent), and Chanel (51 percent) also quite high. When this many people own such luxury goods, it is a matter of fitting in rather than standing out. It would be conspicuous **not** to own such goods under these circumstances.

These trends point toward a need to understand how to manage brands inconspicuously. A sophisticated inconspicuous brand denotes complexity. Subtlety moves thinking beyond concepts of social class and snobbery, decoupling the idea that brand strength and attractiveness are delivered through share of voice and 'loudness'. Instead, nuanced minimalism, cool and co-opting the mundane are tacit cues which transport brands into different contexts and spaces, allowing for greater private pleasure as well as brand transcendence and an ability to demonstrate cultural capital. This paper challenges conventional understandings of the importance of conspicuousness. In analysing the economic and social trends that are leading to the rise of inconspicuousness, we can begin to understand how consumer constructs such as luxury and class are being redefined.

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