How Does Power Distance Belief Affect Status Consumption?

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Power distance impacts status consumption, but the direction of the effect is dependent on information regarding superior’s consumption. When superior’s consumption information is present (absent), low (high) PDB consumers are more likely to engage in status consumption. Need for propriety mediates this effect, adding insight to mechanisms impacting status consumption.

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EXTENDED ABSTRACT

Status consumption, the tendency of consumers to purchase products for the social prestige that they confer to their owners, is an important consumer phenomenon (Berger and Ward 2010; Eastman, Goldsmith, and Flynn 1999). Despite previous research has identified status concern (Loch, Huberman, and Stout 2000; Veblen 1899), benefits of displaying status (Hopkins and Kornienko 2004), evolutionary advantages (Wang and Griskevicius 2013), and compensating self-view threat (Rucker and Galinsky 2008) as some of the most important reasons for status consumption, limited research has considered the potentially influential role of cultural orientation.

The current research explicitly focuses on how consumer’s cultural orientation regarding power distance belief (PDB, consumers’ acceptance of power disparity in social interactions, Hofstede 1984) affects status consumption. More specifically, we propose that the effect of PDB on status consumption is dependent on the presence versus absence of superior’s consumption information, and this interaction effect is mediated by need for propriety (NFP, individual’s concerns regarding the appropriateness or properness of her/his behavior, Clark et al. 2007).

The limited research on the effect of PDB on consumer behavior suggests two opposite conclusions regarding the possible effect of PDB on status consumption. On one hand, some research found high PDB consumers are more likely to pursue status consumption, given they are more status conscious (Kim and Zhang 2011; Torelli et al. 2012). On the other hand, another stream of research suggests it is low PDB consumers who are more likely to pursue status consumption (Hofstede 2001; Kirkman et al. 2009; Yang, Mossholder, and Peng 2007). We propose the presence/absence of superior’s consumption information is the key factor to reconcile these conflicting findings.

When superior’s consumption information is present, it creates an interaction between the consumers and their superior. Given high PDB consumers’ respect for social hierarchy, they tend to avoid bypassing their superior in status and lower the status implications of their behaviors (Hofstede 2001). In other words, they are concerned about the properness of their behavior to make sure it doesn’t challenge the existing hierarchy (Lian et al. 2012). In contrast, given low PDB consumers’ strong belief in equality, they tend to make sure that their status is not lower than their superior’s status (Hofstede 2001). In other words, low PDB consumers tend to care less about properness of their behavior in this situation. Instead, they tend to engage in behaviors to make sure they are of higher status than they actually are (Yang et al. 2007). Thus, we propose when superior’s consumption is present, low (vs. high) PDB consumers are more likely to pursue status consumption.

However, when superior’s consumption is absent, high PDB consumers are not bypassing any superiors in pursuing status, so it is not improper for them to consume status products anymore. Combining it with their strong status conscious (Kim and Zhang 2011), we expect high PDB consumers to prefer status consumption. In contrast, for low PDB consumers, the absence of superior’s consumption means no threat to their equality belief. As a matter of fact, in this situation, they might be concerned with whether their behavior is proper, given they are motivated by seeking equality and avoiding symbolizing higher status, which might cause status disparity (Javidan et al. 2006). Thus, we propose when superior’s consumption is absent, high (vs. low) PDB consumers are more likely to pursue status consumption.

In addition, we propose that concern regarding properness of behavior is the mediator underlying the effect. Following Clark et al. (2007), we define this concern as NFP, referring to individual’s concerns regarding the appropriateness or properness of her/his behavior.

Seven studies were conducted to test the theorizing. More specifically, study 1A was a 2 (PDB: high vs. low) x 4 (other’s consumption information: superior’s vs. colleague’s vs. subordinate’s vs. none) between-subjects experiment, in which we considered all possibilities for superior’s consumption absent condition. The results indicated that when superior’s consumption was present, high PDB consumers are more likely to pursue status consumption. In contrast, in the three superior’s consumption absent conditions, low PDB consumers are more likely to pursue status consumption. In studies 1B and 1C, we replicated the findings by using different samples, manipulation for superior’s consumption, and dependent measures. Study 1D further replicated the findings in a field setting in China.

Study 2 was a 2 (PDB: high vs. low) x 2 (superior’s consumption: present vs. absent) between-subjects experiment. We measured NFP (Clark et al. 2007) to test its mediating role. The results from the bootstrapping mediation analysis supported NFP as the mediator. At the same time, we ruled out alternative explanations such as self-monitoring and subjective-norm. Study 3 adopted the moderation-of-process method to further test the mediation. It was a 2 (PDB: high vs. low) x 2 (superior’s consumption: present vs. absent) x 2 (NFP: manipulated vs. control) between-subjects experiment. As expected, we replicated the two-way interaction between PDB and superior’s consumption under the control condition, whereas this interaction effect was attenuated under the NFP manipulated condition.

Study 4 was a 2 (PDB: high vs. low) x 2 (superior’s consumption: present vs. absent) x 2 (following behind: probed vs. control) between-subjects experiment, in which we manipulated consumer’s following behind motivation as a proxy to NFP (Anderson et al. 2012). As expected, we replicated the parallel three-way interaction effect in study 3.

Through this research, we make significant contributions to the literature. First, we reconciled the seemingly conflicting findings regarding the effect of PDB on status consumption. Second, we identified NFP as a new motivation for status consumption. Third, we suggest that consumers sometimes might actively avoid status-enhancing behavior, which is counterintuitive to the belief that humans always prefer higher status.

REFERENCES


