

When others show off my brand: self-brand association and conspicuous consumption

When others
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Abstract

Purpose – The purpose of this paper is to investigate the effect of conspicuous consumption on brand attitudes in the context of luxury brands market in China.

Design/methodology/approach – Two studies are conducted to test three hypotheses. In Study 1, the authors examine the mediating effect of self-brand association (SBA) on the relationship between social class and conspicuous consumption (*H1* and *H2*); In Study 2, the authors examine the effect of observing others' conspicuous consumption on the observer's SBA (*H3*).

Findings – Results show that SBA negatively mediates the relationship between social class and conspicuous consumption. Moreover, the negative effect on SBA of observing conspicuous brand usage varies by social class.

Research limitations/implications – The current study focused on the principal linkage between social class, SBA and conspicuousness, and future research could examine the influence of different personality traits on luxury consumption or the existence of sub-types or variants of conspicuous brand users.

Originality/value – The present study has important implications for luxury brand management, and provides rich insights to consumers' motivations that lead to distinctive luxury consumption behaviors.

Keywords Social class, Luxury brands, Conspicuous consumption, Self-brand association

Paper type Research paper

Introduction

Extant literature outlines that consumers are attracted to luxury goods mainly for the social value and symbolism attached to the brand (e.g. Kastanakis and Balabanis, 2012; Hennigs *et al.*, 2012; Han *et al.*, 2010; Ko *et al.*, 2017; Shukla *et al.*, 2015). Given the signaling function of luxuries, consumers who strive to improve their social standing may engage in conspicuous consumption to enhance or exaggerate their social status to others (O'cass and McEwen, 2004). This finding draws out some important questions of both theoretical and managerial interests: Will the conspicuous consumption tendency of luxury goods vary by social status? Will a consumer's observation of others' conspicuous brand use affect his or her attitude toward the flaunted brand? For instance, how will the observation of a person wearing a big "Gucci" logo sunglasses indoors affect the observer's attitudes toward Gucci brand?



Therefore, this research aims to answer the aforementioned questions by examining the relationship between brand attitude and conspicuous brand usage. Specifically, we explore how a consumer's self-brand association (SBA) – a strong motivation for luxury goods purchase – mediates the relationship between his or her social class and conspicuous consumption, and how the observation of other consumers' conspicuous brand usage affects the observer's SBA. The current research query is focused on the Chinese consumer culture of luxury goods. China, with its substantial population and a rapid growing economy, has become one of the most attractive markets for luxury brands in the world. In 2018, Chinese consumers contributed \$97bn in luxury goods purchases, representing 33 percent of global luxury sales (Bain & Company, 2018). While prior studies have examined conspicuous consumption of luxury brands in other countries (e.g. Berger and Ward, 2010; Han *et al.*, 2010; Wilcox *et al.*, 2009; Ferraro *et al.*, 2013), we argue that those findings may not be generalized to China without further investigation as Chinese consumers differ remarkably from their foreign counterparts (Wong and Ahuvia, 1998; Zhan and He, 2012). The contemporary China is dealing with “a complex scenario where its Communist past is intertwined with the Chinese luxury customer's desire to catch up with a real lost luxury tradition” (Rovai, 2014), which makes it a unique consumer cultural context that may lead to different findings. Therefore, this research contributes to the body of literature pertaining conspicuous luxury consumption by addressing the fast growing Chinese luxury goods market. The research findings provide a better understanding of the antecedents and consequence of Chinese consumers' conspicuous brand use, offering both practical and theoretical insights for competitive marketing strategies for luxury brands serving Chinese market.

The remaining of the paper is structured as follows. In the next section, we review the relevant literature on social class, SBA and their relationship with conspicuous brand consumptions to develop our conceptual framework and hypotheses. Then, two experiments are conducted to test the hypotheses, followed by discussion and conclusions.

Conceptual development

This section explores the antecedents and consequences of consumer conspicuous behavior from the social class perspective. Social class is shaped by an individual's access to material resources (Bourdieu, 1987). For lower social class consumers, diminished resources and lower ranks create contexts that constrain their social outcomes and enhance their contextualist tendencies to focus on external, uncontrollable social forces and an interpersonal relationship with other individuals who influence their life outcomes; for higher social class consumers, abundant resources and elevated ranks create contexts that enhance their self-independence and “solipsistic social cognitive tendencies” to focus more on internal states, goals, motivations and emotions (Kraus *et al.*, 2012). Following this argument, we review relevant literature on social class, SBA and conspicuousness to develop the conceptual framework and hypotheses (e.g. Han *et al.*, 2010; Escalas and Bettman, 2000; Angle and Forehand, 2016; Côté, 2011).

Defining social class

Social class, or synonymously social stratum, is a self-cognition of all social characters from the individual, which includes external representations like social status, social relations and social roles, as well as internal self-construction (Côté, 2011). It is one of the most frequently used yet inconsistently defined concepts in social science, due to its lack of strong ties to an existing theory (Oakes and Rossi, 2003). The common variables that theorists used to define social class objectively are income, education and occupational prestige (e.g. Adler and Snibbe, 2003). From the objective perspective of social class, individuals have higher social class to the extent they have more money, advanced education and occupational prestige

than others; in contrast, the subjective approach views that individuals hold higher social class to the extent that they believe they have more money, advanced education and prestigious employment than others (Côté, 2011). The objective and subjective components of social class are the inter-related parts rather than competing perspectives of a larger concept (Kraus *et al.*, 2012).

Higher and lower social class individuals have different access to material resources. Access to material resources leads individual to exhibit certain distinctions, such as the neighborhood they live, educational institutions they attend, club memberships, language use and accents, patterns of nonverbal behaviors, etc. (Kraus *et al.*, 2009). Those objective conditions linked to these distinctions, in turn, lead to specific patterns of action and cognition, forming certain dimensions of the self. Past studies have shown that higher class individuals often experience more personal control, self-direction and self-reliance than their lower class counterparts (e.g. Kohn *et al.*, 1990, 1997). For instance, in the case of job crafting, lower class employees tend to change the expectations and behaviors of others, while higher class employees change their own expectations and behaviors (Berg *et al.*, 2010). In sum, higher and lower class individuals hold different views on what constitutes good and normative action, and hence social class constitutes a socio-cultural source of the self, being a potent, robust and distinct predictor of how people think, act and make decisions (Côté, 2011).

Unlike most consumer goods, luxury goods are characterized by exclusivity and premium prices, which can serve a signaling function to convey status information and personal taste about the brand user (Belk *et al.*, 1982; Richins, 1994). It is widely accepted that people make inferences about another's social status or position by things that one possesses; therefore, consumers who strive to improve their social standing may engage in conspicuous consumption to enhance or exaggerate their social status to others (O'cass and McEwen, 2004). Veblen (1899), for the first time, formalized conspicuous behavior as a theory of social class differentiation. In his view, higher social class consumers differentiate themselves from lower social class consumers through the use of conspicuous goods, while lower social class consumers consume conspicuous goods to put themselves in line with higher social class members.

We follow Veblen (1899) in defining conspicuous consumption as the acquiring of luxury goods to publicly display wealth rather than in attempts to satisfy more utilitarian needs of the consumer, for the sole objective of gaining or maintaining a given social status. Recent studies have demonstrated that the relationship between luxury brands and conspicuousness is weakening (e.g. Eckhardt *et al.*, 2015; Han *et al.*, 2010; Sundie *et al.*, 2011; Berger and Ward, 2010). The "new luxury" or "luxury for the masses," together with the rise of counterfeits, has diluted the meaning of luxury, making all but the most expensive luxury goods lose their exclusivity. Stemming from those forces, there is a rise of inconspicuous consumption – discreetly or subtly marked brand signals with low visual prominence not readily apparent to most consumers (Berger and Ward, 2010). Han *et al.* (2010) characterized social classes into four groups as the four Ps of luxury market, namely, Patricians, Parvenus, Poseurs and Proletarians, according to people's relative wealth and their need for social status. In Han *et al.*'s model, the highest social class consumers (Patricians) who are low in need for status, pay a premium for subtly marked brands only their own kind can recognize in an attempt to separate themselves from lower class groups, while lower class consumers (Proletarians) are eager to connect themselves or produce similarities with higher class members and dissociate themselves from other less affluent individuals. Similarly, Amaldoss and Jain (2005) suggested two groups who are most likely to be involved in conspicuous consumption: snobs and followers. "Snobs" buy expensive products that are unaffordable to average consumers to display their wealth and gain status and prestige, whereas "followers" who have stronger desires for improving their

social status imitate the behavior of higher social class consumers to obtain social status. Tsai (2005) proposed a model specifying the antecedents and consequence of personal orientation toward luxury brands, and summed up two motivations of conspicuous consumption: seeking for social identity and self-identity. Rucker and Galinsky (2008, 2009), from a power perspective, found that consumers with lower power had a stronger desire for status-related items. When a consumer feels his/her social status is threatened by surroundings, he/she usually behaves conspicuously to consolidate personal status, regulate moods and suppress the inferiority or anxiety in his/her minds.

As different social class consumers are associated with different motivations and purposes of luxury goods purchase, they exhibit different tendencies for conspicuous consumption. We propose:

- H1.* Consumers of different social classes have different conspicuous consumption tendency. Specifically, higher social class consumers have a lower conspicuous consumption tendency than the lower social class consumers do.

The mediation role of SBA

SBA is the degree to which consumers combine the brand with the self-concept, and consumers spontaneously match their self-image with the brand culture (Escalas, 1998). Sirgy (1982) suggested that brand image and self-image are the basis of SBA. SBA plays a very important role in making purchase decisions because people tend to buy products or brands in which they see mirrored aspects of themselves (Escalas and Bettman, 2000). Pelham *et al.* (2002) argued that individuals have a self-centered doctrine that most people possess positive associations about themselves, and thus they prefer things that are connected to the self. Kirmani (2009) suggested that not only identity affects consumption but consumption (e.g. brand choices) may also influence identity. More importantly, consumers buy products not only to establish their success and identity, but also to assimilate with the reference group that they consider compatible with the identity. Consumers adopt products or consumption behaviors associated with their aspiration groups to construct a desired social identity, or wish to be treated like a member of that group (Simmel, 1957; Berger and Ward, 2010). Swaminathan *et al.* (2007) found that consumer-brand relationships can be formed based on individual- and/or group-level connections, and their effects vary based on self-construal. Under independent self-construal, individual level identity is more important, while under interdependent self-construal, group-level identity is more important.

As mentioned previously, higher social class consumers tend to have a clearer self-positioning than lower social class consumers. Thus, lower social class consumers are more sensitive to the shopping environments and the way luxury goods are used, and they are more inclined to buy luxury brands with ulterior social functions. Lacking in material resources, lower social class consumers prefer to choose from a wide range of well-known luxury brands with higher social functions (in order to highlight and enhance personal identity and image) which enables them to eliminate the negative emotion resulting from the limited purchase power and gap to higher social class consumers. Due to the focus on the extrinsic aspect of the products, the relationship between brands and their self is weak as they often ignore the intrinsic value of the luxury brands. In contrast, higher social class consumers with access to adequate material resources often tend to focus more on the intrinsic value of brand itself and tend to pay a premium for the goods to express their self-identity (personality and uniqueness) (Berger and Heath, 2007; Kraus *et al.*, 2012). Thus, we suggest that SBA mediates consumers' tendency to engage in conspicuous brand consumptions. Consumers with strong SBA often regard themselves closely tied with the brand image, and thus have an incentive to maintain the image of the brand to protect their own self-concept (Fournier, 1998). Since conspicuous brand use may be considered akin to

negative brand image or brand failure, high SBA consumers have lower tendency for conspicuous behavior as it lowers their self-esteem. Therefore, we propose:

- H2. SBA mediates the relationship between social class and conspicuous consumption tendency. Higher social class leads to higher SBA; however, the higher the SBA is, the weaker the tendency for conspicuous consumption.

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Conspicuous consumption and SBA

Contemporary studies have intensively investigated the relationship between conspicuous consumption and brand attitude in the marketing context. In contrast to prior studies that examined consumer's choice of conspicuous consumption, Ferraro *et al.* (2013) considered the inferences that observers draw from other brand users' conspicuous behaviors, and found that observers with low self-brand connection exhibited less favorable attitude toward Apple iPad than those with high self-brand connection did after observing the conspicuous use of iPad. They argued that conspicuous usage leads to attributional thinking that the brand user is not using the brand because he or she inherently likes it or finds it useful, and such attribution negatively affects the observer's attitude toward the flaunted brand. While Ferraro *et al.*'s study investigates conspicuous brand usage as being flaunting any given branded product for social benefits, this current study focus on the investigation of conspicuous consumption of luxury goods in the collectivist culture context in China. With China's rapid economic growth in recent decades, materialism and conspicuous consumption have increasingly become dominant dispositions among Chinese customers (Duan and Dholakia, 2015). We anticipate that due to the distinctiveness of luxury goods and cultural contextual differences, the conclusion drawn in Ferraro *et al.*'s study might not hold well in our proposed context. In the luxury brands context, consumers with strong SBA associate their self-concept with the brand image based on the prestige or status reference they perceive in the brand. In Chinese culture, the concept of luxury is predominately linked to "prestige" (Godey *et al.*, 2013), and consumers seek "prestige" in luxury goods to primarily conform to the social expectations of important reference groups (Zhan and He, 2012). Chinese consumers' luxury consumption exhibits even more "Veblen effects," as they are found more likely to relate product brands to "social-self" than Western consumers in individualist cultures. As conspicuous behavior leads to observers' attributional thinking that the brand user may be using the brand to enhance and exaggerate their social status rather than for dispositional reasons (Ferraro *et al.*, 2013), we argue that the observation of such conspicuous behavior will impair the prestige and status references perceived in the brands, and thus affect the connection between consumers and brands.

Particularly, as higher social class consumers often have a stronger sense of self-independence and "solipsistic social cognitive tendencies," they consume luxury goods primarily to express their personality and uniqueness. They will perceive the brand image being compromised after seeing others' conspicuous behaviors. In contrast, lower social class consumers who buy luxuries with ulterior social functions will be less affected after exposure to others' conspicuous consumption. Thus, we propose:

- H3. Compared with inconspicuous consumption, the observation of others' conspicuous brand usage has more salient negative effect on the SBA of observers who hold higher social class.

Methodology

Two studies are conducted to test the three hypotheses above. In Study 1, a questionnaire survey has been used to investigate the relationship between social class, SBA and conspicuous consumption tendency. Study 2 investigates the effect of observing others' conspicuous consumption on the observer's SBA.

Study 1

The purpose of Study 1 is to examine the relationship between social class and conspicuous consumption tendency and the mediation effect of SBA. In sum, 120 subjects from an online panel recruited through WeChat participated in the study in exchange for a small cash payment (58 percent female, mean age 26.7 years). A pre-test was conducted to check subjects' familiarity and ownership of luxury brands.

Method. To measure consumers' conspicuous consumption tendencies, participants were shown pairs of luxury product photos (e.g. Burberry, Louis Vuitton, Chanel) from different product categories (including handbags, belts, sunglasses, etc.), and then asked to rate which option they would be more likely to purchase in a seven-point scale. For the target choice pairs, brand conspicuousness is manipulated by varying the size of logo (big, small). If the subjects choose a product with an explicit big-size logo, it is interpreted that their tendency to conspicuous consumption is high; otherwise, their tendency to conspicuous consumption is low. We controlled for as many other differences between the options as possible. All pairs contained two equivalently priced products (which participants were made aware of), in the same style and made of the same material, and photographed from the same angle.

Adopting the OSES approach by Green (1970), social class is measured using three items: non-food consumption expenditure, education and occupational prestige. SBA is measured using eight items adopted from Sprott *et al.* (2009): I have a special bond with the luxury brands that I like; I consider my favorite luxury brands to be a part of myself; I often feel a personal connection between luxury brands and me; part of me is defined by important luxury brands in my life; I feel as if I have a close personal connection with the luxury brands I most prefer; I can identify with important luxury brands in my life; There are links between the luxury brands that I prefer and how I view myself; and my favorite luxury brands are an important indication of who I am. The Cronbach's α of the scale is 0.838, indicating good reliability.

Results. For the target pairs, the dependent variable is recorded in a way that higher scores indicate higher preference and greater tendency for conspicuous consumption, and scores across all pairs are averaged. Regression analysis is conducted including social class and covariates (i.e. age, gender, familiarity, ownership) as independent variables. Supporting *H1*, the regression on conspicuous tendency shows significant effect of social class ($\beta = -0.417$; $p < 0.001$). As expected, the higher social class individuals have a lower tendency for conspicuous consumption, whereas lower social class individual have a higher tendency for conspicuous consumption.

H2 predicts that the SBA mediates the relationship between social class and conspicuous consumption tendency. To further examine the indirect effect of SBA, we test this prediction using the four steps mediation analysis by Baron and Kenny (1986) in SPSS PROCESS (Model 4; Hayes, 2017). A mediation analysis is performed between social class as the independent variable and conspicuous consumption tendency as the dependent variable, with SBA as the mediator and covariates (see Figure 1). First, social class is treated as the

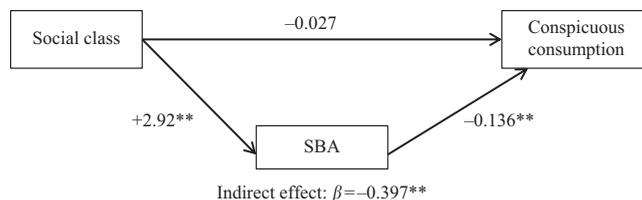


Figure 1.
Mediation effect
of SBA

independent variable and conspicuous consumption tendency as the dependent variable, and the total effect $c = -0.417$, $p < 0.001$; next, SBA is treated as the outcome variable and social class as a predictor, yielding path $a = 2.923$, $p < 0.001$; then, SBA again as an independent variable and conspicuous consumption as the dependent variable, resulting in path $b = -0.136$, $p < 0.001$; and, finally, the effect of social class on conspicuous consumption is tested after controlling SBA, and the path $c' = -0.027$, $p > 0.05$, which is not significant. The above results suggest a full mediating effect of SBA ($B = -0.397$, $SE = 0.185$, $p < 0.001$) on conspicuous consumption tendency and a Sobel test revealed that the indirect effect is significant. *H2* is supported.

Study 2

The purpose of Study 2 is to examine the impact on observers' SBA after observing other consumers' conspicuous brand usage. It is demonstrated that the observation of conspicuous consumption only negatively affects the SBA of observers who are in higher social class. Study 2 has one manipulated between-subject factor (conspicuousness: high vs low) and one measured variable (SBA). In sum, 98 participants from an online panel recruited from WeChat completed the study in exchange for a small cash payment (60 percent female, mean age 31.7).

Method. Participants read that they would see several photos that a person named Lily (i.e. the target) posted on social media and respond a few questions about her. Each photo features Lily wearing a pair of Gucci sunglasses and the conspicuous brand usage is manipulated by varying the size of the logo of the sunglasses as well as the background scene in the photo. The manipulation is designed to reflect how people encounter other consumers' brand flaunting behaviors in everyday environments. In the high conspicuousness condition, participants would see a post written by Lily: "Love my new Gucci sunglasses," and photos prominently featuring her wearing big logo Gucci sunglasses in an indoor coffee store; in the low conspicuousness condition, participants are provided with the same post but with photos featuring her wearing small logo Gucci sunglasses in an outdoor coffee store on a sunny day. We select Gucci as the test luxury brand as it is one of the most well-known luxury brands in China with a complete product line, and it does not have obvious gender-orientations.

After an unrelated filler task, participants are asked to answer a series of questions capturing their perception toward the target (i.e. Lily), SBA of Gucci brand and control variables. The manipulation of conspicuous brand usage was checked by asking participants if they think "Lily wears Gucci sunglasses to show off"; "Lily wears Gucci sunglasses to impress other people"; and "Lily is flaunting the Gucci brand" (1 = "not at all," and 7 = "very much"; $\alpha = 0.91$). The results have confirmed that conspicuousness manipulation in Study 2 was successful and participants perceived that the target was using Gucci product in a conspicuous manner. Then, same items as in Study 1 are used to measure SBA, social class, familiarity and ownership with the Gucci brand.

Results. Regression analysis is used with mean centered SBA being the dependent variable. The independent variables include the covariates (gender, age, ownership, etc.), conspicuousness, social class and the interaction term of conspicuousness \times social class.

The regression on SBA showed significant effects of ownership, conspicuousness, social class, and the conspicuousness \times social class interaction ($\beta = 0.18$, $p < 0.01$) (see Figure 2). In general, the observation of others' conspicuous brand use negatively affects observer's SBA ($\beta = -0.32$, $p < 0.01$); specifically, participants in higher social class displayed significant negative effects on SBA when exposed to Lily's conspicuous consumption condition ($M = 5.73$) than to the inconspicuous consumption condition ($M = 6.35$, $p < 0.01$), whereas participants in lower social class had almost equivalent SBA regardless

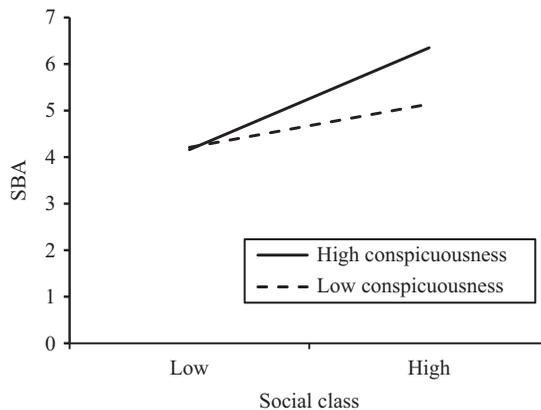


Figure 2.
The effect of
conspicuous
consumption on SBA

the observation of Lily's conspicuous ($M = 4.21$) or inconspicuous behaviors ($M = 4.16$). To sum up, the results of this study support the hypothesis that the observation of conspicuous brand use negatively affects the SBA of observers who have higher social class but has no significant effect on those in lower social class. Hence, $H3$ is supported.

Discussion and conclusion

Conspicuous consumption pervades both academic theory and marketing practice. Based on Veblen's view of luxury consumption for the need for gaining status, early marketing literature has assumed the equivalency of luxury consumption to conspicuous consumption (Eckhardt *et al.*, 2015). However, due to the recent mass marketing of "new luxury" and the rise of counterfeits, the Veblen's two-tier society (haves/have-nots) has transformed into "a more complex array of consumers who use luxury to signal in many different ways and for many different reasons" (Han *et al.*, 2010). A better understanding of the luxury goods market requires a deeper investigation of how and why conspicuous or inconspicuous brands can be valued.

Hence, the current research examines the conspicuous consumption of consumers in different social classes, and the driving mechanism underlying the disparity in the tendencies. It has shown that higher social class individuals are more likely to engage inconspicuous consumption while their counterpart prefers more conspicuous consumption. Higher class with access to adequate material resources often focus more on the intrinsic value of brand to express their self-identity, resulting in a higher SBA. In turns, this strong tie between their self-image and the brand image will shield individuals from conspicuous consumption, which may be considered akin to negative brand image or lower self-esteem. Thus, SBA negatively mediates the conspicuous consumption tendency of different social classes. Moreover, higher class individuals will perceive the brand image more compromised after observing others' conspicuous behaviors and experience a salient negative effect on SBA than lower class consumers.

The current research broadens the theoretical research pertaining to conspicuous luxury consumption by exploring the fast growing Chinese luxury goods market. The findings support the recent literature on the changing role of luxury consumption by decoupling it from conspicuousness. In addition, this research extends the existing conspicuousness literature by recognizing the dilution effect of brand flaunting behaviors in everyday environments on brand attitudes. The study has important implications for luxury brand management, consumer behavior, and consumer culture more broadly. Overall, it provides insights into consumers' motivations that lead to distinctive luxury

consumption behaviors. Luxury consumers are not a homogeneous, status-driven group, but a complex array with different motivations and preferences. Managers must recognize this complexity and incorporate it into the contemporary segmentation structures consisting of divergent target groups (Kastanakis and Balabanis, 2014). The findings suggest a mixture of inconspicuous designs along with loud items to satisfy the needs of consumers in different social classes. Also, luxury brands should reassess their marketing strategy of popularizing its brand to mass market. Short-term sales may increase with a lower priced line or extending the brand to multiple categories; however, the brand might also suffer as a dissociative status signal.

This research suffers several limitations. First, the data are limited to the best-known fashion brands in China. Logically, the results and conclusions could apply to a wider range of luxury sectors (e.g. luxury cars, private jets, luxury jewelries, etc.), but caution must be taken when generalizing findings to other settings. Also, the classification of social class might be too broad that the big group of the “middle class” is not considered. Further, the current study focused on principal linkage between social class, SBA and conspicuousness, but these factors may not constitute an exhaustive list of luxury consumption. Thus, in addition to the socioeconomic factors, future research could also examine the influence of different personality traits on luxury consumption or the existence of sub-types or variants of conspicuous brand users. As mentioned before, the Veblen’s two-tier society (haves/have-nots) has transformed into “a more complex array of consumers who use luxury to signal in many different ways and for many different reasons” (Han *et al.*, 2010). For example, how does the self- and other-directed materialism lead to conspicuous consumption? Our study is premised on the unfavorable perception of conspicuousness due to the deep root of frugality in Chinese culture. Future research could also examine the situations in which people perceive conspicuousness positively. How are constructs such as luxury being defined or redefined with the rise of inconspicuous Consumption? And will the nature of cultural capital in consumption change and, if so, how?

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