Understanding Conspicuous Consumption

CHAPTER II
LITERATURE REVIEW

Doubt is not an agreeable condition, but certainty is an absurd one. - Voltaire

In this dissertation, the research endeavour will aim at developing a better understanding of the CC behaviour as exhibited by the consumer. This form of consumption remains one of the most important (McCraken 1987) yet, it is felt that the phenomenon is one of the least understood. Lack of proper behavioural models coupled with the absence of a scientific measurement methodology severely restricts our understanding of this important consumer behaviour phenomenon.

The researcher first reviews the literature and establishes the importance of the early history of the development of our knowledge of CC. This effort would include an assessment of Veblen’s pioneering work and highlight the rationale behind his understanding of CC. Then the development of post-Veblenian literature (till June 2007) will be traced down. This section will also describe the interdisciplinary approach towards explaining CC, including contribution of the economists, sociologists, psychologists and last but not the least marketing academicians. This assessment would enable us to understand and/or identify the existence of any dominant unifying theory. To add to our understanding, this section would also incorporate a brief bibliometric analysis of the CC literature.

Finally, the chapter would conclude by highlighting the contribution of this dissertation to the field of CC and the Marketing literature, in general.

2.1 Genesis of the Concept

The ideation of ‘leisure class’ and hence of CC, started with Veblen’s observation——in his book The Theory of the Leisure Class (henceforth referred to
as TOLC), first published in 1899—of the top business and landowning families in the United States: the Harrimans, the Mellons, and the Fricks, to name a few. Similarly in Europe, the old moneyed families, like the Astors and Spencers, habitually spoiled themselves through over-consumption in marriages, business alliances, and leisure activities. In TOLC, Veblen coined the term conspicuous consumption to describe consumption that is motivated by an attempt to advertise wealth. Adam Smith observed that appearance, honour and dignity considerations may affect consumption pattern ("a creditable day labourer would be ashamed to appear in public without a linen shirt"); and Karl Marx (1849) referred to the signaling qualities of consumption in his often quoted statement that satisfaction with one

"A house may be large or small; as long as the neighbouring houses are likewise small, it satisfies all social requirements for a residence. But let there arise next to the little house a palace, and the little house shrinks to a hut. The little house now makes it clear that its inmate has no social position at all to maintain, or but a very insignificant one..."

The Theory of Veblen presents conspicuousness as a purposive conduct in which status considerations predominate. His opinions regarding individuals’ efforts "to excel in pecuniary standing" or "in the struggle to outdo one another the city population push their normal standard of conspicuous consumption to a higher point" (Veblen) indicate his positioning of conspicuous consumption as consumers’ deliberate, and conscious activity to achieve the objective of status enhancement, a bold distinction from the established neo-classical economics perspective. According to Veblen, the strength of one’s reputation is in direct relationship to the amount of money possessed and displayed; i.e., the basis "of gaining and retaining a good name, are leisure and conspicuous consumption"

1 However, some argue that many of Veblen’s ideas were pioneered by John Rae (for details see Alcott, 2004)
He theorises that pecuniary strength confers not only 'invidious distinction', but also honour, prestige, and esteem within the community. To Veblen, lavish spending was "symptomatic of the superfluous life-style of the rich. Wearing diamond-studded jewellery and overindulging in luxurious foods and alcohol ... were prerequisites of men of gentle breeding" (p. 97-98). Above all, as Veblen notes, the objects of conspicuous consumption must be wasteful, or possess no useful value. According to Veblen's theory of CC, individuals emulate the consumption patterns of other individuals situated at higher points in the hierarchy. The social norms that govern such emulation change as the economy and its social fabric evolve over time.

TOLC represents a powerful critique of the neoclassical theory of consumption. In contrast to the individual's static maximisation of utility according to exogenous preferences, as posited by the neoclassical approach, Veblen developed an evolutionary framework in which preferences are determined socially in relation to the positions of individuals in the social hierarchy. Veblen argues that the society is dominated by a leisure class and they draw their wealth from inheritance and investments and therefore don't have to work for their living. Veblen contends that "voluntary abnegation from pecuniary labour" is the insignia of membership for this class. Status and belonging were determined not by working in paid employment but by displaying wealth through acts of conspicuous leisure and CC. However, Rojek (1999) has strongly argued against this assertion and has evidenced the hard work being put in daily even by the richest people in the world.

Veblenian form of conspicuous leisure and consumption, are exhibited by organising of dinner parties and balls, cultivation of dead languages and such pre-industrial pursuits like horse-riding and hunting. Even a casual reading of his TOLC confirms that Veblen deplored wasteful consumption excesses (Voluntary Simplicity). Veblen contrasted the desire for "sustenance" "self-
preservation” (p.110), “serviceability” (p.154), “physical necessities” (p.205), “the generically useful” (p.219), “subsistence” (p.24), “naïve” consumption (p.25), and so on, with emulation, which is “the stimulus of an invidious comparison which prompts us to outdo those with whom we are in the habit of classing ourselves” (p.103). He also opposed “economic” to “aesthetic and ethical” serviceability (p.262-63). A part of this might be due to a contemporary puritan (New Testament) disapproval of needless display and deliberate waste (Shaila Ghosh, personal communication). But it also reflects Veblen’s idea that practices of the leisure class will be emulated by the lower orders so that the waste and profligacy will be institutionalised throughout the industrial society.

2.2 Fifty Years of Silence and Henceforth: 1899-1950

After publication of the TOLC a “mysterious” silence was noted in the research arena. In these fifty years, on one hand, we had two consecutive world wars, dissolution of major ruling dynasties in Europe, emergence and establishment of strong Socialist block of countries, birth of new nations and the Cold War on the other, incidents related to the development in science and technology, changing patterns of human life, and empowerment mark this period.

This ‘silence’ period, as it appears, could find its explanation in a sudden “eclipse” of research interest of the researchers in the subject, by these apparently ‘more’ important phenomena. It was not before 1950 that the first serious work on the subject was published by the Princeton professor Harvey Libenstein. In his effort to explain and extend the classical Demand Theory he identified two other consumer behavioural dimensions fundamentally related to CC which he described as:

• *Veblen* “we refer to the phenomenon of conspicuous consumption; to the extent that to which the demand for a consumers’ good is increased because it bears a higher than
a lower price” (p.202).

• Bandwagon “we refer to the extent to which the demand for a commodity is increased due to the fact that others are also consuming the same commodity. It represents the desire of people to be in the “swim of things” (p. 190).

• Snob “we refer to the extent to which the demand is decreased owing to the fact that others are also consuming the same commodity. This represents the desire of the people to be exclusive” (p.199).

Liebenstein’s credit goes to the fact that it was a pioneering effort in denouncing the Classical Demand Theory. It recognised the existence of a ‘non-functional’ consumption motivation on the part of the consumers. Inclusion of CC and extension of the same to other related concepts, convincingly enough, took the logic of consumption beyond Veblen’s initial understanding and interpretation of CC. These concepts enabled Liebenstein to argue, in a contradiction to Veblen, that CC is not ‘non-utilitarian’———-a landmark in recognizing the existence, and explaining the behaviour of the ‘Irrational Consumer’ and connotes a significant departure from the Classical theory.

Significantly, Liebenstein’s contemporary Duesenberry (1949) also came up with his own explanation of ‘irrational’ consumption behaviour———-he maintained that the attainment of a materially higher standard of living has become a generally recognised social goal. For this, he argued, consumers who are frequently exposed to higher quality goods than one usually consumes, will increase one’s consumption expenditure. This phenomenon, according to his coinage of the term, is the “Demonstration Effect”, though, unlike Liebenstein, Duesenberry’s explicit denial of any link with the Veblenian concept cannot be supported (Mason 1981). However, McCormick (1983) explained the unifying relationship of these apparently diverse concepts and established the synonymity
The first wave of post-Veblenian research is, thus, marked by some significant yet discrete efforts in extending the concept and formally giving accreditation to interpersonal effects on consumption behaviour constructs. However, it was felt that these constructs are separate and need to be treated accordingly.

<table>
<thead>
<tr>
<th>Author</th>
<th>Year</th>
<th>Major Concept</th>
<th>Principal Approach</th>
</tr>
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<td>CC</td>
<td>Eco/Resource</td>
</tr>
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Table 2A Temporal Distribution of Selected Publications on Conspicuous Consumption & Related Topic
Discipline: This classification would enable us to differentiate the divergent perspectives applied to explain and understand the CC construct. The publication classification yields the following results:

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
</tr>
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<tr>
<td>CC &amp; Status</td>
<td>57</td>
</tr>
<tr>
<td>Prestige</td>
<td>7</td>
</tr>
<tr>
<td>Luxury</td>
<td>10</td>
</tr>
<tr>
<td>Total</td>
<td>74</td>
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Table 2-1: Distribution of CC Related Articles

On the other hand, the Discipline classification yields the following result:

<table>
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<th></th>
<th>Frequency</th>
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<tbody>
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<td>21</td>
</tr>
<tr>
<td>Marketing</td>
<td>33</td>
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<tr>
<td>Psycho-social</td>
<td>20</td>
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<tr>
<td>Total</td>
<td>74</td>
</tr>
</tbody>
</table>

Table 2-2: Distribution of Articles across Disciplines

2.3 Epistemology of the Conspicuous Consumption Construct

2.3.1 A Bibliometric Analysis of the Extant Literature

A study of the timeline of the CC literature reveals that, post 1950, it has
developed with a multidisciplinary approach, having contributions from psychologists, sociologists, marketing and above all the economists. The temporal spread of the total literature was from 1903 (Keasby) which is identified to be the earliest (apart from Veblen’s own masterpiece) to 2006 (Chaudhuri and Majumdar), the most recent. In this context, it can be mentioned that no article featuring the Indian situation (except the last one) was found. These articles were again subject to further classification involving a. Publication Classification and b. Discipline.

Publication Classification: The extant literature classified to incorporate i. CC & Status, ii. Prestige, iii. Luxury. An investigation of the literature reveals that CC construct has been usually used in conjunction with the above mentioned

Unlike the publication classification Table 2-2 requires necessary explanations. The core literature, as has been identified, was examined for the style of explaining the concept of CC. The various parameters used are

a. Methodology
b. Primary theoretical foundation
c. Assumptions
d. Type of the publishing journal
e. Outcome and conclusions.

Based on these premises the whole literature was divided accordingly. This reveals that Economics and Psycho-social approaches, as separate or related disciplines, have given maximum importance to the subject, however, this includes all the publication types.

A further classification was called for; in their 2004 article, O’Cass and McEwen empirically proved that status-consumption and CC are separate constructs. Usually the literature treats the two constructs (status and conspicuous consumption) as if they have significant overlap, to the point where they are
often used interchangeably (O'Cass and McEwen 2004). This discussion can be considered significant given its early appreciation of the state of the extant literature and the confusion thereof. The present author also considers this article as a starting for the discussion of the topic. It appears that the status and conspicuous consumption theory may be fundamentally flawed, as each construct’s domain is not thoroughly delineated. This identification can be regarded a landmark contribution in the relevant literature.

A close scrutiny of the CC time-line reveals that the major contribution in marketing to explain CC started only after 1984. However, the first ‘status’ article in the Marketing area came up in the Journal of Marketing, 1954 (Martineau 1954). In fact the later contributions were also in the same vein. First serious attempt to explaining the CC from marketing point of view came up as late as in 1984. In this review article the various problems and peculiarities in explaining the CC construct were discussed by Roger Mason. The table shows the research publications in various journals. It is interesting to note that major publication has come in ACR, which forms the Conference Proceedings. A further analysis reveals that probably none of the ‘Big-Three’ Marketing Journals have ever considered articles on CC to be published. However, it can be only mentioned here that 2005 JMR carried an article by Amaldoss and Jain, which has dealt with the subject more from an economics perspective, but not entirely describing the psycho-social dynamics of the same, which the author feels should be given some more importance. This article in the premier journal proves beyond doubt that our understanding of CC, which apparently appears to be complete, is not so. The article interestingly proves the linkage with psychological variables like NFU and CC. In an important deviation from the standard literature, the article establishes the close relation of Snob and Bandwagon behaviours as a part of CC behavioural dynamics, rather than treating them as discrete elements of analysis. It should be mentioned here that in the history JMR this is the only article that
relates to advancement of our theoretical understanding of CC. Other premier journals like JCR & JoM are absolutely silent on the CC issue. This indicates that marketing literature still deserves a better understanding of the CC construct from a more sophisticated and analytical point of view.

The relative lack of attention from the mainstream leading marketing journals, so also the paucity of literature across disciplines suggest a lower level of understanding the subject.

2.3.1.2 Author Analysis

Roger Mason can be considered most prolific in his contribution to understanding the said construct. Including one complete book on the subject he has, to his credit, 8 publications on CC and related subjects. He has explained CC using the ‘status’ concept and most of his writings have a significant economics overtone.

<table>
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<td>Academy of Marketing Science Review</td>
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</tr>
<tr>
<td>Advances in Consumer Research</td>
<td>6</td>
</tr>
<tr>
<td>Journal of Consumer Behaviour</td>
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<td>Journal of Marketing Research</td>
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<td>Psychology and Marketing</td>
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<td>Journal of Consumer Marketing</td>
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<td>Research in Marketing</td>
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<tr>
<td>European Journal of Marketing</td>
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</table>

Table 2-1: Distribution of CC Articles in Major Marketing Journals

2.3.2 Evaluation of the Evolving Literature

The Economists’ Viewpoint: According to Mason (1995), the importance of the
The contribution of Veblen lies in the development of modern consumer demand theory. He pioneered the idea that the consumers 'can' acquire goods that don't have intrinsic utility values. In fact, the value is drawn from the phenomenon that the acquired good has the potential of attracting others' attention. Prior to that, economists like Marshal, who belonged to the classical thinkers, largely disregarded to events and outcomes which seemed only to illustrate the perversity of human behaviour. However, he recognised the existence of status-directed conspicuous consumption, especially in 'new countries' - a clear reference to the United States, where the Gilded Age excesses of the nouveau riches could hardly be ignored. At the same time, he considered such behaviour to be both tasteless and frivolous; the indulgence of a small minority implied that it needed no special treatment within, or incorporation into, theories of consumption hence termed 'exceptional' (Mason 1981).

Drawing largely from Mason's (2001) detailed account of the contribution of the economists, we also try to highlight the developmental history of the epistemology of CC as seen by the economists. According to him, the neoclassical and other major thinkers like Hicks were not giving enough attention to the behavioural side of the consumer and were sticking to their relatively abstract understanding of individuals' economic behaviour. Mason argues that Hicks, Samuelson and Friedman had developed consumer theories which explicitly discounted or rejected social interpretations of consumer demand, and which lent themselves to purely mathematical and econometric analysis.
Table 2-4: Contribution of Roger Mason

Those few scholars who continued throughout the 1950s to promote a more subjective and/or sociological explanation of consumer behaviour (Galbraith 1958; Katona 1951; 1953) did so from outside the economic mainstream, and their appeals for some greater recognition of status-directed conspicuous consumption went largely ignored. At the same time, it was becoming increasingly difficult to ignore the high levels of socially inspired consumption, actively encouraged by manufacturers, retailers and their advertising agencies, which were now evident in America and in Europe and for which exclusively ‘mathematical’ explanations were clearly inadequate and inappropriate. The general neglect of status-linked consumption within mainstream economics continued even in the early 1960s. Some (Houthakker 1961) showed mild interest in the degree to which consumers and markets could become occupied with matters of status and prestige, but concluded that these social effects on demand were relatively unimportant and gave no real cause for concern. Thus, in the hands of these classical economic thinkers, the ideas of “status consumption,” “bandwagon,” or “snob” were a set
discrete of conceptual tools for explaining a so-called "irrational" dimension of consumer behaviour, and any effort in establishing a valid interrelationship among these constructs to fully explain conspicuous aspects of consumer behaviour was absent.

In the years following the Second World War, the United States experienced a major improvement in living standards and in consumption, fuelled by a significant increase in individual and family incomes. As discretionary incomes and spending rose, so a desire to emulate others in their consumption behaviour became increasingly evident, a development which generated a major increase in levels of recognisably conspicuous consumption. By 1950, Hicks' reservations over attempts to establish purely econometric treatments of consumer behaviour - treatments which effectively ignored all subjective influences on consumer preference formation - seemed increasingly well founded. The gap between the new theoretical orthodoxy and the realities of the marketplace was widening as status-directed conspicuous display became commonplace in the world's largest mass market (Mason 2001).

By the later 1940s, however, some eminent mainstream economists e.g. Morgenstern (1948) were beginning to question such assumptions and pointed out the problems of classical assumption of 'additivity'. Stigler (1950) likewise attacked economists who were still refusing to include the consumption of other individuals in the consumer's utility function, observing that their faithful adherence to the additive utility function showed not only a lack of enterprise but also of imagination.

Prompted by Morgenstern's (1948) paper, Liebenstein (1950) explored the CC construct to extend it to include Bandwagon, Snob and Veblen effects on preference formation, and took tentative steps towards incorporating these effects into current consumer theory. He conceded, however, that his analysis
offered only a static explanation of such consumer behaviour, and he imposed other analytical restrictions. As a result, his attempt at integration was of limited value, something which Liebenstein himself acknowledged (1950), but nevertheless he did offer new thinking with respect to so-called external effects on consumer behaviour. By the time his paper was published, however, a more significant contribution to the debate over subjectivity and consumer demand had appeared. In a footnote to his 1950 paper, Liebenstein had referred to the other work which was then being carried out into external effects but which had come to his attention “too late to be given the detailed consideration it deserves” (1950, p.186). This was a reference to James Duesenberry’s *Income, Saving and the Theory of Consumer Behaviour* (1949), a book which took a radically different approach to the phenomenon of interpersonal effects on demand, but was destined to have a more significant impact on economic theory and thought in the following decade.

Unlike Leibenstein, Duesenberry’s analysis of socially inspired consumption was macroeconomic rather than microeconomic. Duesenberry called this phenomenon the ‘demonstration effect’ (1949). A society in which improvements in the standard of living were a social goal, a motivation to maintain self-esteem expressed itself in a drive to acquire goods and services. However, the ‘quality’ of such purchases need not relate to any measure of practical value in use - indeed, the goods could be expensive yet largely useless items, reflecting a high degree of conspicuous waste. To Duesenberry, this impulse to consume conspicuously came from three principal sources. First, individuals could be seeking to maintain or improve their social status among those perceived as social equals (the ‘keeping up with the Joneses’ phenomenon); second, they could be determined to keep a suitable distance between themselves and those perceived as being their social inferiors; finally, they themselves could be aspiring to join higher social groups (1949, p.115).
There was now a greater willingness to explore elements of socially determined conspicuous consumption within the economic mainstream, and the need to accommodate status-seeking consumption within demand theory was made more compelling with the arrival of the 1980s and 1990s—decades characterised by high levels of conspicuous consumption fuelled by consumer preoccupations with image, identity and social standing. Basmann, Molina and Slottje (1985; 1988) and Creedy and Slottje (1991) were able to demonstrate that conventional microeconomic analysis was, indeed, capable of identifying and measuring Veblen effects, provided that the necessary data was available and accessible. Bagwell and Bernheim (1991) then incorporated Veblen effects into a new theory of conspicuous consumption which was subsequently drawn together and published in the *American Economic Review* (1996). After 1980, the term 'Veblen effects', seen for many years by economists as a sociological concept of dubious merit or interest, entered the economic literature to a far greater extent (Mason 2001).

The Behavioural Scientists' Point-of-View: From the above discussion, it is clear that contemporary mathematical economics did not adequately explain the essential features of a 'behavioural' phenomenon like CC. According to Mason (2001), inspite of continuous failures, the economists stuck to their perspective possibly on the grounds that a. conspicuous consumption was a 'problem' associated only with a minority of very rich status-seekers and largely a trivial economic phenomenon which could safely be ignored, and b. the preoccupation of the economists to get the subject closer to an 'exact' science. Because of this kind of an uneasy situation economics, as a discipline, was moving away from sociology and psychology. In its attempts to establish itself as a mathematical science and, notwithstanding the protests of a minority who subsequently pressed for a better accommodation of the behavioural sciences within economics (Clark 1918; Downey 1910; Knight 1925; Mitchell 1910; 1914;
Schumpeter 1909), this trend continued. By the early 1930s, the gulf between economists and other social scientists was becoming even wider———when, say, in 1947 Samuelson came up with his revealed preference theory and claimed to have removed all existing ‘psychology’ from it (Mason 2001).

But the social scientists, especially the sociologists took up their onus of explaining the Veblenian concept from their own perspective. A little bit cornered by their economist brethren, the behavioural scientists tried to interpret the Veblenian construct from a different perspective. During Veblen’s time the state of the sociological literature was somewhat, at best be called, ‘underdeveloped’. Almost no contemporary work from the sociological perspective can be located (Campbell 1995). As late as in 1957, C. Wright Mills described him as “the best critic of America that America has produced”. Other major sociologist who took the cause further was Max Lerner (1957). At later stages, Lewis Mumford’s (1967) cultural studies can be given as an example of work which carried on Veblen’s approach. Other explanations offering insights as to why people behave pretentiously include: social class identification (Levy 1959, Goffman 1952), social class mobility (Goffman 1952), and peer or aspirant group influence (Rassuli & Hollander 1986). In addition to highlighting various social reasons driving conspicuous consumption behaviour, it should also be noted that there are those scholars who believe that social factors have nothing to do with such behaviour. Instead they propose that personality or innate human desires may drive such displays. Marshall (1890), for example, theorised that the desire to conspicuously consume comes with us from the cradle and never leaves us till we go the grave. Further, he notes that this desire is “the most powerful of human passions” (1890, p. 73). Similarly, Rae (1905) believed that it was a human innate desire to be self-indulgent in order to express vanity. He stated that if ‘consumption is not conspicuous (it is) incapable of gratifying this passion of vanity (p. 247). Sociologists have further interpreted his ideas of conspicuous
consumption, display and emulation to explain not only class hegemony but also consumer behaviour, corporate predation, international politics, militarism, sport, and fashion (Tilman 1997). Veblen can also be credited with explaining the link between ostentatious display and the oppression and subjugation of women. Sociologists and social critics such as C. Wright Mills often refer to his critique of social institutions and their links with corporate power centers. However, the sociologists have spent more time in representing Veblen as an iconoclast and a social-philosopher (Dorffmann 1934). Tilman thinks that Veblen cannot be pigeonholed into a narrow category or an established tradition. Veblen, according to this school of thought, drew from a variety of ideas to develop his own “eclectic originality”. Thus, Campbell has seen CC as three related concepts:

1. An “interpretive,” or subjective, formulation which conceives of conspicuous consumption as action marked by the presence of certain distinctive psychological states in consumers

2. A consequentialist or “functional” formulation in which conspicuous consumption is viewed as a form of behaviour characterised by particular end-results or outcomes, and

3. A substantive conception which defines conspicuous consumption as a form of conduct marked by certain “intrinsic” qualities.

Veblen’s logic of conspicuous leisure and consumption has been usually interpreted as contributions to social criticisms. His strong disapproval of wasteful consumption excesses of the rich, the sociologists argue, come from the Biblical restrictions towards amassing of wealth and materialism. This is in stark contradiction to the Calvinist approach among the Protestants (for details see Weber 1948) to engage in wealth creating activities. His analysis was particularly important in the context of traditional societies where consumption and production were strictly controlled various governmental or other informal
authorities. During his time, [the Gilded Age (1860-1914)], a period distinguished by the self-help doctrine, and which rewarded individual effort and merit with increased prestige and social position (Mason 1981). According to Hofstader (1962), this period could be referred to as the "era of the status revolution' (p. 138). Expenditures of this time were clearly conspicuous: bath tubs were cut from solid marble; artificial waterfalls were installed in dining rooms for entertaining; garden trees were decorated with artificial fruit made of fourteen carat gold (Lord 1960). Spending was intended solely to achieve status and recognition (Mason 1981). Even during the height of ostentatious spending during this period, Americans did not look unfavourably on such behaviour for the United States. (Brogan 1941)

However, during affluence, the whole social dynamics is like to change as it happened in Post-War America (or as it happens now in China or India). The 1950s have been recognised as the first affluent society decade in the United States (Mason 1981). Converse (1959) nick-named the buying trends during this decade as the 'gadget economy'. He states that following World War II, the U.S. experienced increased distribution of wealth and income which allowed more people to acquire more things such as; automobiles, houses, refrigerators, airplanes, etc. The gadget economy continues even today, characterised by an ever increasing number of people able to behave ostentatiously. As a result, conspicuous consumption has predominantly lost its effectiveness as a means of providing invidious distinction for the rich.

Galbraith (1984) notes this trend in the United States:

Once a sufficiently impressive display of diamonds could create attention even for the most obese and repellent body, for they signified membership in a highly privileged casts. Now the same diamonds are afforded by a television star or a talented harlot. Modern mass communications, especially the movies and television, ensure that the populace at large will see the most
lavish caparisoning on the bodies not only of the daughters of the rich but also on the daughters of coal miners and commercial travellers who have struck it rich by their own talents or some facsimile thereof (p.77).

Therefore, as lavish spending has become commonplace, i.e. ‘vulgar’ (Galbraith 1984), the rich need to find other venues to advertise their success. One way they have done this is to purchase outrageously expensive goods that ensure the general exclusion of the great majority of potential customers (Mason 1981). According to Galbraith (1984), such goods would not be considered vulgar, since they are accessible only to the very rich of affluent societies. Here we witness the snob effect: the very rich refuse to purchase mass promoted and merchandised products, and instead only buy products for which they are the exclusive market. However, as affluent societies become more educated, they no longer consider outrageous flamboyance as the leading symbol of status. Instead, education and occupational achievements are valued more as the criteria for esteem (Mason 1981). Consequently, the man of wealth is forced to compete with the rest of society for his status (Galbraith 1984). CC of such societies is now being displayed more through educated or ‘tasteful’ expenditures than through flagrant exhibitions of wealth. The ownership game, then, allows distinction based on taste, so anyone who can command the necessary financial resources can play (Mason 1981).

This broadening of the players is transforming the ownership game into a true middle class phenomenon. Possessions now not only reveal status, but also identify the taste and values of the possessor. Objects of conspicuous display can disclose the ideal self, whether congruent or not with the real self. Sartre (1956) proposed that possessions not only give people the means to act a certain ‘part’, but also the confidence to carry out the ‘part’. Specifically, he argues that possessions are instrumental in giving us identity and the ability to feel more capable of doing and being. Further, Belk (1988) suggests that possessions
symbolically extend our sense of self. They allow us to convince ourselves that we can be different people than we would be without them.

Taking into account the various personal and social influences of the affluent societies, Mason (1981) offers an overall explanation as to why the conspicuous consumption patterns of such societies differ from their traditional and achieving society counterparts. Specifically, he notes that, unlike their predecessors who were inner-directed, people of affluent societies are other-directed. The primary difference between the two is that in inner-directed societies, individual lifestyles are governed and shaped predominantly by family and friends, whereas in other-directed societies, lifestyles are additionally influenced by media personalities and the mass public in general. This, he argues, is a direct result of the highly advanced communications systems which not only introduce new ideas and cultural values, but also effectively cut across class boundaries. As individuals of affluent societies have become more “socialised” through mass media, they have also become more sensitive to the influences of their peers and of those they aspire to be like. The manifestations of these influences are evidenced in the horizontal and vertical emulation behaviour of people consuming in accordance with the values of their desired reference group. We euphemistically call this ‘keeping up with the Joneses’, or the bandwagon effect.

In response to affluence, marketers have utilised promotional tactics to associate products with an attractive life style. Capitalising on the bandwagon effect, manufacturers of socially ‘acceptable’ goods promote their products to appeal not only to a distinguished social group, but also to lower social groups who aspire to increase their status position. To successfully accomplish this, producers de-emphasise the price, focusing instead on the social prestige value of the good (Mason 1981). In stressing the social status associated with the product, or in ‘selling the sizzle and not the steak’ (Pollay 1985), advertisers
establish a connection between a particular way of life and the commodity. To Marx (1867), such promotion enhances people's fetishism with commodities which, he concludes, leads them to believe that happiness is inherent in the products themselves. Arguing along this line, Galbraith (1984) believes that such promotion not only creates unnecessary wants, but also contributes to consumer indebtedness. In his assessment of advertising's influence on altering consumption patterns, he states that advertising and emulation, the two dependent sources of desire, work across society. "They operate on those who can afford and those who cannot" (p.147). This he contends is the unfortunate result of capitalism.

Starting with Dorfman, the divergent behavioural perspectives have led the sociologists, psychologists and even the historians to pick up a fight with the mainstream economists. The behavioural researchers defend their position in explaining Veblen's philosophy in terms of intellectual curiosity, frugality and kindness—a marked departure in analysing Veblen from resource optimisation viewpoint. They argue that due to these characteristics Veblen actually disdained wasteful consumption and exploitative traits of the contemporary business culture, a culture, which according to Veblen, infected the American society. There is, thus, no doubt that that Veblen's iconoclasm, as seen in this light by the sociologists, provokes an irresistible sympathy toward him. The theory of conspicuous consumption has in recent years also been subjected to considerable criticism from outside of this mainstream. Three main issues have been raised. First, it has been argued that Veblen's approach is too restrictive in relying on the "trickle down" of consumption patterns from the top of the social hierarchy. The pacesetters for consumption may also be those at the bottom of the hierarchy (Fine and Leopold 1993; Lears 1993). It follows from this position that conspicuous consumption lacks generality as a theory of consumption since it applies only to luxury goods. Second, since Veblen's day it has been argued that
consumers no longer display their wealth conspicuously. Status is conveyed in more sophisticated and subtle ways (Canterbery 1998; Mason 1998). Third, for those writing in the postmodern tradition, consumer behaviour is no longer shaped by positions of social class but by lifestyles that cut across the social hierarchy (Featherstone 1991; McIntyre 1992). And fourth, even the richest people don’t live the ‘lazy’ way that their counterparts used to do a 100 years back — e.g. for Bill Gates it is a 16-hour day (Rojek 1999).

The sociological literature on CC is definitely not vast and its attention toward explaining this construct is rather limited (Campbell 1995). Along with the sociologists the psychologists remain equally silent on explaining the causes of this important behavioural dynamics — except for the lone effort of Braun and Wicklund (1984). It must be recognised that any theoretical development, albeit its abstractness, deemed important for understanding the same, has come mainly from the efforts of the economists, which have been profiled in the previous section.

**Marketers’ Point-of-View:** As ‘distinct’ from the above disciplines, marketing involves complex process of managerial decision making. This ‘responsibility’ gives an entirely new dimension to understanding any consumer behavioural construct — the enquiry needs to be made comparatively more holistic, comprehensive, practice-oriented, and significantly different from the above disciplines. This section draws a detailed word-profile of the development of the CC literature as it has been in the Marketing area. Consumer research related to CC thus, in the same spirit, needs to be revisited and understood to greater & finer details.

An examination of the extant literature on the subject shows (see the bibliometric analysis above) that interest of the marketing researchers in CC is relatively recent, however, the research interest can be divided into 3 broad areas, namely:
1. The appeal of explaining CC through status-induced consumption has been irresistible both to the economists and the early consumer researchers. The former theorised most of their contributions from status signaling perspective and the prime example remains the celebrated Bagwell and Bernheim article. On the other hand, the consumer researchers tried to equate CC with the status-based in an effort to explaining major decision variable like store choice, saving behaviour, and even in-house display of ‘symbolic’ objects and associated social hierarchies to material lifestyle (Martineau 1958). According to Belk et al. (1982) the ability of symbols to communicate status is result of encoding and decoding which forms the dynamics of status-induced consumption. Encoding of a status level is achieved by ownership of symbols which presumably are unique to that level. For example, advertisements of automobiles like Hyundai Sonata or Mercedes Benz appeal to the use of symbols to encode status.

There are three different kinds of status: 1. Status by definition (for example, royalty has more status than commoner), 2. Status by achievement (someone doing a better job), and 3. Status by consumption. Their ability to communicate that status rests on the extent to which these products are confined only to upper social classes (Hayakawa 1963). Given the status by definition cannot be changed by an individual and that status by achievement is limited only to the best achievers in one’s filed, status by consumption may be the main mechanism by which people can alter their status position (ibid). Fournier et.al. (1992) suggest that this need for status may be satisfied through the purchase of bungalows/Vacation homes, silver serving pieces, cars, etc. Accurate communication of status also depends on most members of society perceiving a symbol to represent an approximately similar level of status (status decoding). In
other words, if the majority of individuals do not make similar status attributions from a symbol, its effectiveness in communicating status is diminished homogeneity or agreement of status symbolism has been substantiated for various product categories including clothing (Douty 1963), and health care (Munsen and Spivey 1981).

The first marketing effort in explaining the status-driven consumption behaviour was pioneered by Martineau (1954). It is interesting to note in this context, that amidst growing concern for inability of the economic literature to explain, interpersonal consumption effect, Martineau’s effort in highlighting the impact of ‘psychology’ of consumption and that too from the perspective of an ‘infant’ subject, is certainly appreciable.

Pioneering treatment in this area by Martineau borrowed heavily from Warner and Lunt’s(1950) sociological enquiry into existence of class system in metropolitan America. Extending the duo’s work, he tried to propose the consumption behaviour across classes along with specific decisional inputs for the marketers—but his understanding was never backed by a strong theoretical framework, until in 1983 Coleman forwarded his study of the influence of status-induced consumption. Coleman (1983) noted in his review of the significance of social class, the disaffection from status encoding during the 1970s. In sum, this period of time witnessed the first major assault on materialism and its status connotations in contemporary American Society. However, Coleman through his analysis established the existence of various social strata in the American society and also pointed out the methodological difficulties in measurement of the various class structures. He forwarded 2 propositions related to the measurement and indicators of social class. He strongly argued upon the facts that A. Total household income is an illusory index to family living standard—as wherever it includes money earned by household members that is not pooled toward the common good, B. Increase in family income resulting from
more of the individual members becoming earners almost never produce a change in the family's social class. Coleman (1987) and Coleman and Rainwater (1978) devised measures of Urban Status Index where they included, apart from Income, other descriptive variables like Education levels, Occupational Prestige (Trieman 1975), Area of Residence, Marital Status, and also similar measures for the Spouse (particularly the Wife). It can be mentioned here that in India also, quite recently, these kinds of measurements are being used.

However, these measures are hardly free from problems. Coleman (1983) notes that income and social class are not highly correlated as they index two very different aspects of life. Social class and income may not reflect personality, lifestyle, motivations, etc. Also two individuals may have similar incomes but belong to different social classes and have different levels of status as perceived by their peers (Myers & Mount 1973). Thus consumption of conspicuous items cannot be limited to only select income and social class levels. Mager (1986) found that factors used to compute social class, income and education are better determinants of consumption behaviour per se, than social class itself.

These observations are a subtle indicator that, to a great extent, the classical form of understanding, locating and measuring social class may lead to erroneous results as consumer status boundaries have greatly been dissolved and it is not as visible as it was during the American Gilded Age (Veblen's time to be precise). Kilsheimer (1993) argues that most of the social class literature and the resultant measurement system are dated and does not address recent changes in the economic status, the phenomenon of mass-consumption, entry of women in work force, etc.

Studies by some other consumer researchers e.g. (Dawson & Cavell 1987), or research in the sociology area has suggested similar measures (Sewell, Hauser & Featherman 1976) have extended some support to Coleman's work. Using retail
institutions, Dawson et al.'s study showed that status recognition in the American consumption environment has advanced considerably. From the fashion perspective, significant effort has been made especially by the social theorists to identify the duo's relationship——clothing's role in effecting invidious class and status distinctions has thus been accorded importance. This emphasis is apparent in fashion historians' treatment (Batterbery 1977; Hollander 1994) of the very beginnings of fashion in the West. But still some persistent and contradictory questions haunted the researchers e.g. Goffman's (1952) assertion that symbols become diffused across levels of the class hierarchy are "fraudulent," meaning that members of society can no longer be assured that ownership of these symbols deserves a certain level of status or symbols are relatively homogeneous within class levels include furniture, clothing, and housing (Schaninger 1981). Moreover, certain indicators in the American society in the '70s were also extending support to counter-status consumption trend. Apart from easy availability of consumer goods a shift in the sentiments of some Americans away from materialism and toward simplicity and self-reliance was visible. This shift in values is labeled as voluntary simplicity (Shama 1981). Content analysis of advertising also revealed a decrease in the use of status-oriented consumption during the 1960s (Belk and Pollay 1985). Felson (1976) found a decline in correlations among household characteristics when comparing household surveys from the 1920s and 1930s to 1966. Research has also found that income fails to predict several consumer behaviour phenomena effectively (Wells 1975). Research has also revealed that classical prestige-possessions like clothing or automobiles often fail to indicate clear-cut class belongingness or boundaries (Felson 1978). Moreover, recent global trends indicate that status consumption is not much in vogue——an American market research firm indicates that owning an expensive automobile is seen as less important to be contributing to good life as it did several years ago (Kilsheimer 1993). Schlossberg (1993) suggests that the new consumers are hardly bothered about
the 'keeping up with the Jones' mentality.

Arguments and counter-arguments regarding the exact dynamics of status-inspired consumption (which, in fact, was the other name for CC) feature the extant literature of the '70s and the '80s where both the schools found support for their perspectives, but no definitive conclusions could be arrived at regarding the nature of its mechanism. No wonder, Dawson remarks "......... (empirical research in the area) do not provide direct evidence of possible trends in motivations to express status through ownership of material items".

2. In the meantime, a parallel interest area which grew up is 'Luxury' literature. Veblen's original idea where the price-factor remains the only choice criterion to impress the audience, led the later generation economists to equate CC with Luxury. They tried to differentiate luxury with necessity in terms of 'income-effect', 'price-effect', 'elasticity', etc. However, quite often, luxury has also been equated to prestige. Luxury has a psychological association with premium pricing.

It must be mentioned here that investigation related to prestige is not a recent phenomenon, especially in the context of consumer research, however, there is substantial confusion regarding the exact definition of prestige—"......... accounts from the literature of economics, marketing and psychology, show a general lack of consensus relating to the definition of prestige. Prestige in different areas leads to different definitions, and each discipline may have its specific definition concerning the concept of prestige" (Vigneron et al. 1999, p. 3). Kilsheimer (1993) has argued in details about the differences between status and prestige. She feels that the status literature is "clouded in the literature" (p. 15) and is a vague concept.

- Economists have used luxury instead of prestige in comparisons between luxuries and necessities (Besley 1989). Economists also
argue necessities are at a higher status in the hierarchy of needs (Berry 1994; Scitovsky 1992). Consequently, when considering particular choices between a luxury and a necessity, consumers usually select the necessity.

Marketing textbooks suggest the concept of prestige (premium), when an organisation is planning to position a product as high quality matched by a high price (Kotler 2002). Marketers, however, view luxury as the main factor differentiating a brand in a product category, as a central driver of consumer preference and usage (Vigneron and Johnson 2004).

Finally, social psychologists have long been using the concept of prestige to study the effect of group forces on the formation and change of opinions and attitudes (Lorge 1936 and Asch 1948), or to assign prestige scores to social occupations (see, Wegener 1992, for details).

Dawson (1985, p.1) refers prestige as a “collectively held attitude of social honour or respect given to individuals for their possession of various deference entitlements.

According to Kilshiemer (1993), prestige represents one aspect of status, while status represents one aspect of social class. These terms do not all encompass one another, despite of the other meanings that exist in the literature.

For example, in one of the earliest contributions, Keasby (1903) identified the ‘academic’ existence of ‘prestige value’, which, he argued, exists between ‘value in exchange’ and ‘value in use’. He took forward the Lockian argument of classification to identify that there are certain goods that are “both lasting and scarce and so valuable to be hoarded up” (Keasby 1903, p4). He further
concluded that “prestige value indicates the value a person attaches to the possession of a good not primarily for immediate consumption, nor again for the purpose of exchange, but simply for the sake of proprietorship............he (the consumer) hopes by the possession of the good to raise his social position, to add to his dignity, or argument, in any way his prestige” (Keasby 1903, p. 6). He identifies some specific goods owned by a “well-to-do farmer” like “lace curtains”, “organs”, “parlor suite”, or cowboy dressings and accessories like “fine belt sombreros”, “high-heeled boots”, “ornate saddles”, etc under this category. So his analysis equated prestige with certain specific qualities of goods which go beyond simple functionality and utility but its utility in becoming the object of others’ admiration. His views, reflecting the Veblenian spirit, can not only be termed revolutionary but also pioneering in generating primordial ideas of materialism and consumerism. His approach hardly attaches Biblical (New Testament, to be precise) guilt to consumption and accepts a new dimension to explaining consumer behaviour. It is quite surprising that this wonderful article hasn’t got enough attention and the economists’ versions have become more popular during the later periods.

The English “luxury,” the French “luxe,” the Italian “lusso” as well as the Spanish and Portuguese “lujo” are all derived from the Latin term “luxus.” According to the Oxford Dictionary (1992), “luxus” signifies “soft or extravagant living, (over-)indulgence” and “sumptuousness, luxuriousness, opulence.” Interestingly, during a focus group, a consumer put it simply: “Luxury is more” (Danziger 2005, p 17). From the beginning of the human history, luxury has been present in diverse forms of consumption practices. Its role was just as important in Ancient Egypt, Greece and Rome as it is in modern societies (Berry 1994). In contemporary marketing usage, “luxury” refers to a specific tier of offer in almost any product or service category. Throughout the twentieth century, research has been conducted on luxury in diverse disciplines, including historical
analysis (e.g. Berry 1994), economics and econometric modeling (Mason 1981), economic psychology (Braun & Wicklund 1989) and marketing (Dubois and Laurent 1993; Kivetz & Simonson 2002a, b), including awareness (Dubois & Paternault 1995), socio-demographic (Dubois & Laurent 1993a) or cultural aspects (Dubois & Duquesne 1993b). Thus research (Chung & Zaichowsky 1999; Prendergast & Phau 2001), for example, has revealed that consumers dislike high awareness for luxury brands. However, an overall conceptual scheme, model or theory is yet to be developed in case of Luxury/Conspicuous consumption (Dubois & Laurent 1994) which is in contrast to the ‘Status’ literature where we have a sophisticated and distinct multi-disciplinary epistemological approach.

On the academic front, however, in a comprehensive analysis Vigneron and Johnson (1999) have tried to sort out definitional controversies and ambiguities of these two concepts. According to them, the reasons for the diverse definitions and measures of prestige are perhaps due to the different applications of the term prestige. As a general rule, prestige products have been used as an example of high-involvement decision making. Three types of brands or products were categorised by the authors as prestigious:

A. Up-market brands or products

B. Premium brands or products and

C. Luxury brands or products, respectively in an increasing order of prestige.

Hence, it is expected that consumers would have different perceptions of the level of prestige for the same brands or products or products, and that the overall prestige level of a brand or product would consider the prestige perceptions from different people. It is worth mentioning here, in this context, that much of
the writing in the field has treated each perceived value of prestige separately (Vigneron et al. 1999). However, their understanding of prestige (brands) is multi-dimensional and is contingent upon socio-economic factors:

1. The consumption of prestige brands is viewed as a signal of status and wealth, and whose price, expensive by normal standards, enhances the value of such a signal (perceived conspicuous value).

2. If virtually everyone owns a particular brand it is by definition not prestigious (perceived unique value).

3. Prestige is derived partly from the technical superiority and the extreme care that takes place during the production process.

On the other hand, Kapferer (1997) presented the semiotics of the word 'luxury', its sociological references and the pragmatics of luxury-brand management:

"Luxury defines beauty; it is art applied to functional items. Like light, luxury is enlightening... They offer more than mere objects: they provide reference of good taste. That is why luxury management should not only depend on customer expectations: luxury brands are animated by their internal programme, their global vision, the specific taste which they promote as well as the pursuit of their own standards........ Luxurious items provide extra pleasure and flatter all senses at once....... Luxury is the appendage of the ruling classes." (1997, p. 253)

Nueno and Quelch (1998, p. 61) define luxury brands as "those whose ratio of functionality to price is low, while the ratio of intangible and situational utility to price is high". This definition is comparable to the definition made by economists or marketing consultants who define luxury brands as those whose price and
quality ratios are the highest of the market; that is, their price is significantly greater than the price of products with similar tangible features. The decision-making process for prestige brands was interpreted from different models such as models of involvement (Rossiter, Percy, & Donovan 1991), the materialism model (Belk 1985; Richins 1994), and research directly related to prestige (Leibenstein 1950; Pantzalis 1995).

The concept of luxury is incredibly fluid, and changes dramatically across time and culture. More and more consumers have traded up as the old values of tradition and nobility have become less important (Yeoman and Beattie 2006). In the past, it was associated with champagne, caviar, designer clothes and sports cars. Nowadays, with increased affluence, luxury is a blurred genre which is no longer the preserve of the elite. For instance, East Asians are found to be particularly avaricious luxury consumers, and are fast becoming the world’s largest brand-name luxury goods market. Exports to Asia account for more than 50% of total turnover for French conglomerate of luxury labels LVMH, and cognac producer Remy Martin ships 58% of its foreign sales to the Asian markets (Asian Business 1994).

The contemporary luxury consumer-preference has shifted from caring about the material element to the unique experiences that make them feel special. Marketers have embraced this trend over the years by offering amenities and experiences exclusively to the super-affluent. “The super affluent [emphasis added] not only care about buying that luxury item, but also they want the purchase to be surrounded by the ultimate, unique experience (Danziger 2005, p 4). People are enjoying much more material comfort in comparison with previous generations, resulting in a trend of a cultural shift for personal fulfillment and aspiration through experience. Therefore, it could be argued that luxury is increasingly about experience and authenticity (Yeoman & Beattie 2005), rather than monetary value. This is not to say that luxury is about status, but luxury is
more than monetary value. Indeed, they run side by side. Consumers see luxury as all those intangibles—luxury of time, luxury of space, luxury of quiet, luxury of simplicity— that seem to disappear the harder he work for luxury. Luxury is what one’s own unique experience of a thing is uniquely. From the perspective of luxury, well-lived life is now an expression of personal creativity. “There is a sense of wanting to integrate things into a larger tapestry of life, and that is true luxury. It’s not only that you have a wonderful car, but that [the same] car takes you to your wonderful house” (Danziger 2005, p 9).

Though a solution for the problem of definitional ambiguity has been suggested yet, the understanding of the phenomenon is still not complete. Going back to Vigneron’s ideation, we see Liebenstein’s idea of Veblenian, Snob and Bandwagon effects has been extended to explain the prestige seeking buying behaviour. But these three constructs have still been treated as discrete and different, although the three levels of ‘Prestige’ have not been properly espoused in the given context. However, Vigneron et.al.’s propositions about the snobs, bandwagons and the conspicuous are worth mentioning. According to them

A. “Snob consumers perceive price as an indicator of exclusivity, and avoid using popular brands to experiment with inner-directed consumption” (p.6)

Expanding on the concepts and the definition discussed in the earlier sections we can understand that snob effect may occur during two circumstances: (1) when a new prestige product is launched, the snob will adopt the product first to take advantage of the limited number of consumers at that moment. This argument is supported by Rogers (1983, p.215) who stated that: “Undoubtedly one of the important motivations for almost any individual to adopt an innovation is the desire to gain social status. For certain innovations, such as new clothing fashions, the social prestige that the innovations convey to its wearer is almost the sole benefit that the adopter receives. In fact, when many other members of a system
have also adopted the same fashion, the innovation (such as longer skirts or designer jeans) may lose much of its social value to the adopters. This gradual loss of status given on the part of a particular clothing innovation provides a continual pressure for yet newer fashions. and (2) “snob effect is in evidence when status sensitive consumers come to reject a particular product as and when it is seen to be consumed by the general mass of people” (Mason 1981, p.128).

Extending on Snyder and Fromkin’s (1977) work on ‘Need for Uniqueness’ (NFU), Vigneron concludes the above about the behavioural dynamics of the Snob consumers. The later works by consumer theorists like Tepper-Tian (2000) show that an individual with higher degree of individualism doesn’t necessarily be inner directed and Vigneron’s logic remains extremely doubtful in the light of latest findings. However, their proposed hypothesis about the relationship among price, quality cue and NFU has received support from experimental works by Amaldoss and Jain (2005). However, the ‘inner-directed ness’ was not verified by the experimental study.

B. “Relative to snob consumers, bandwagon consumers attach less importance to price as an indicator of prestige, but will put a greater emphasis on the effect they make on others while consuming prestige brands” (p.7)

Rogers (1983), Miller, McIntyre and Mantrala (1993), and Berry (1994) conceptualised the bandwagon effect as opposite to the snob effect. “Even though snobs and followers buy luxury products for apparently opposite reasons, their basic motivation is really the same; whether through differentiation or group affiliation, they want to enhance their self concept” (Dubois and Duquesne 1993).

In the early 1980s, several researchers conducted studies on the influence of reference groups on the consumption of prestige brands (Mason 1981 and 1992; Bearden and Etzel 1982). These authors found that the conspicuousness of a
product was positively related to its susceptibility to reference-group influence. For instance, Bearden and Etzel (1982) concluded that publicly consumed luxury products were more likely to be conspicuous products than privately consumed luxury products. Conspicuous consumption plays a significant part in shaping preferences for many products which are purchased or consumed in public contexts (Hong & Zinkhan 1995; Corneo & Jeanne 1997).

According to Vigneron et. al. (1999) the construct of conspicuousness has dominated most of the past literature on prestige and that is where they have the point for a counterargument. They feel that it is important to recognise that..............” conspicuousness only partly explains the perceived values of prestige products, since a vast majority of these products are also consumed in private, for example when a person consumes fine wine at home”. This point, as forwarded by the authors, essentially puts a question mark on their logic per se. Making an impression on others is a quality that they have found to exist both in the cases of the ‘Bandwagon’ group and the ‘Veblen’ group. But they are absolutely silent on the former’s mechanism of achieving that objective, wherein they identify price to be the only way for the Veblenian group of consumers:

C. “Veblenian consumers attach a greater importance to price as an indicator of prestige, because their primary objective is to impress others” (p.5)

So where is the difference between the Snob and the Veblenian consumers? On the other hand, the Veblenian consumers also have a tendency to ‘impress others’ a characteristic shared by the ‘Bandwagon’ consumers also. This problem may take a further complicated state if we assume the existence of ‘Optimal Distinctiveness’ in which Brewer (1991) proposes that no individual can have an exclusive tendency to show NFU or to go for total conformation. In that case, the perspective of treating ‘Snob’ and ‘Bandwagon’ as separate mechanisms is seriously restricted. These are interesting to note, yet pose a confused understanding the CC dimension.
Conspicuous consumption plays a significant part in shaping preferences for many products which are purchased or consumed in public contexts (Braun and Wicklund 1989; Hong and Zinkhan 1995; Bagwell and Bernheim 1996; Comeo & Jeanne 1997). The confusion regarding the 'real status' of CC as a construct thus remains largely unsolved. CC should be primarily characterised by a fundamental quality of 'visibility' (and for the sake of repetition, that is where 'snob' conceptualisation fails and the researcher would try to provide a more contemporary understanding of the said construct in the later sections). This assertion, on the other hand, raises serious questions regarding the distinction among Snob & Bandwagon and Vebelian consumers. The latter is supposed to be the CC driven, but there is no evidence that the other two despise 'visibility'.

One of the first articles on the subject published in a marketing journal was in the year 1984 (Mason). However, that too remains the contribution of an economics professor from Britain. Though he remains one of the leading contributors in the field of understanding this important behavioural construct, his '84 article, at the least, can be said unsatisfactory from marketing research point-of-view (to be explained in the subsequent section).

Coming back to the mainstream marketing literature we see that the frequency of contribution in the said field remains significantly discrete. An effort to portray a word-profile of the development of the CC concept from the marketing/consumer research perspective meets with hurdles like a. relatively fewer accounts and reports of the phenomenon, b. lesser thrust on explaining behavioural dimensions, c. using the term as a passing reference. In fact, the last observation is nowhere proved better than in the search results of the Proceedings of the 'Advances in Consumer Research'. "Conspicuous Consumption" yields 117 returns and most of the articles mention CC only to explain certain situations—and for all those articles CC is never the central theme.

Going into the 'proper' CC literature in Marketing we have already seen that
although Mason remains the pioneer contributor, his understanding is greatly flawed. However, efforts to understand the behavioural dynamics of CC from marketing perspective remain highly diverse. A narrative discussion of the history of CC in America by Page (1992) is particularly informative. Following the methodology of Nevett (1991) she has portrayed the evolution of ostentatious consumption. The article has been successful in espousing the nature of CC in differing stages of economic development. Using Rostow’s framework (1971), she could classify the American economy into 3 broad categories namely, Traditional, Achieving and Affluent and the resultant social forces. A keen insight and diverse reference usage make the article an important source of understanding the evolution of CC.

One of the very recent additions to the marketing literature is by Amaldoss and Jain (2005). In the article, the authors develop an analytical model that incorporates social influences on consumer behaviour, and examine the model’s implications for firms’ prices, profits, and market shares. The model extends the classical economics approach of consumer decision-making by accommodating consumer desire for uniqueness and conformity (Fromkin and Synder 1980). In their model, it is assumed that two firms (a duopoly model of firm behaviour) are competing to cater to two segments of consumers. One segment desires uniqueness, and therefore its value for a product decreases as the number of people who buy the product increases. They label the consumers in this segment as snobs. The other segment desires conformity, and therefore its value for a product increases as the number of people who buy the product increases. Their analysis also provides some support for the notion that increased desire for uniqueness leads to higher prices and firm profits.

Though their premise is not revolutionary, however, the techniques adopted are well-suited to explain the dynamics of CC and the work can be considered as a methodological innovation—their methodology fundamentally follows the
traditional econometric modeling procedure supplanted by a laboratory experimental method (in fact, it won’t be an exaggeration, to categorise it, at best, as a work of economic psychology) . Moreover, the assumption of a duopolistic market can also be considered ‘restrictive’. Further, their study did not include the either the variation in individual taste/preferences neither it consider the existence of ‘social’ choices. But, their effort proves beyond doubt the continuing interest of the research community about the subject as well as the existence of evolving epistemological issues concerning the said construct. On the behavioural side, a recent study (Mowen 2000) identified CC as equivalent to Competitive Consumption. According to the study, which measured consumer competitiveness as a core trait, CC is exhibited in the form of what is called the ‘surface trait’ and is a result of the degree of competitiveness of an individual. The study, however, made no effort in directly measuring the CC activity. This effort may be categorised as one of the very few that, albeit indirectly, gives a psychological interpretation of the CC construct. The only other equivalent effort remaining the work by Braun and Wicklund (1987). This study can be considered an important milestone in the research of CC. It takes into consideration the existence of a. social choice and b. individual psychology. Based on the theory of Symbolic Self Completion (Wicklund & Gallowitzer 1982) it surveys the subjects who suffer from some inherent insecurity especially their failures in their respective professional areas and tries to explain CC as an antecedent of higher levels of psychological and status insecurity. Inherently interesting, however, this study could have been inconclusive if more successful people (who become anybody’s role-model) were considered. In addition to that use of single-item scales are also doubtful in view of their lower reliability (Churchill 1979). The authors conclude that CC, by its nature, is a compensatory consumption phenomenon thus again lending support to the fact that CC has a negative connotation in the extant literature.
CC has also been investigated as an antecedent of buying behaviour of imported items among the consumers of developing nations. Research reveals that consumers in developing countries often regard foreign products as status symbols (Batra et al. 2000; Ger et al. 1993; Marcoux et al. 1997; Mason 1981). Geodemographic studies (Phau and Prendergast 2001; Tai and Tam 1996) reveal that Asians are extremely conspicuous consumption oriented. Wong and Ahuvia (1998) report that East Asians' (Chinese) luxury consumption behaviour is remarkably different from that of the Westerners. The Asian 'Interdependent self' focuses more on the public, outer self than the Western, 'Independent self', Asian group norms and goals frequently emphasise public and visible possessions. Because economic status is a central social concern in these hierarchical and newly industrialised (or industrialising) societies, publicly visible markers are needed to concretise and communicate financial achievement. Therefore, Asians pay a great deal of attention to possessions that are both public and visible, such as designer-labeled goods, expensive cars, jewellery, etc. But this apparent materialism may or may not reflect internal personal tastes, traits, or goals. Darian (1998) suggested that Parents in Asia use their children as the (vicarious) vehicle of CC and to communicate their success to the significant others. Chen, Aung, Zhou, & Kanetkar (2005) endeavoured at relating CC to ethnicity and cultural identification among the Chinese.

In most of their writings CC come as a passing reference and incidental to the broader issues like materialism and it largely faces a critical review even from the marketing scholars. For example, Tansey & Hyman (1994), on the grounds of welfare and development, have accused the marketers of skillfully manipulating the consumers toward CC resulting in wasteful expenses among the poor; Mason (1985) questioned, on ethical grounds, the proliferation of the supply of status related commodities by various companies. Again, some evidences in the marketing literature have also been forwarded to support the fact that consumers
often restrain themselves from CC behaviour (for details see O'Guinn & Faber 1988) which in all likelihood would be considered (by the literature) as a semblance of the much-touted behavioural 'rationality'. However it must be borne in mind that it is an expression of the consumer choice to go for CC and the marketers are merely catering to the evolving market requirements.

The Materialism School: The literature on materialism has provided us with a strong framework which helps to properly understand the meaning that consumers attach to worldly possessions (Belk 1985) and also CC and prestige—"Although today's families are less patriarchal than those of Veblen's day, the tendency to vicariously consume through those who are a part of the extended self perhaps is not dissimilar" (Belk 1988, p. 157). Ger and Belk (1994) also found that materialism is commonly related to the competitive display of success and status in a Veblenian fashion in their cross-cultural qualitative research on materialism. For a materialist, possessions are central to his life as he feels that increased consumption increases his satisfaction with life (Fournier & Richins 1991). At the layperson's level, materialists may be viewed as focusing on the consumption of status goods, so materialism and the conspicuous consumption of luxury goods are often associated (Fournier & Richins 1991; Mason 1981) and according to them CC can be conceptualised as a component of materialism. But in the academic literature the association is less clear. Belk (1985) sees materialism as manifested by three personality traits: Possessiveness, non-generosity, and envy; a fourth trait, preservation, was added in cross-cultural studies of the materialism scale (Ger & Belk 1996). Although none of these personality traits explicitly include conspicuous consumption, materialism and conspicuous consumption are implicitly linked through envy, because one only envies the possessions of others when one cannot easily obtain comparable possessions. In the words of Veblen: "In order to gain and hold the esteem of men, it is not sufficient merely to possess wealth or power. The wealth or power
must be put in evidence, for esteem is only awarded on evidence” (Veblen 1899, p.42). In other words, expensive items will not serve their other-oriented function unless such possessions are “conspicuous” and in plain view. However, in addition to admiration, such possessions could also be the source of envy. The primary reason one cannot obtain a comparable, commercially available item is because one cannot afford it. Therefore, envy is often directed at expensive products. An envious person places a high value on these expensive products, so envy is clearly linked to the dynamic of conspicuous consumption. Richins (e.g., Richins 1991; Richins & Dawson 1992) sees materialism as a value (the basic enduring belief that it is important to own material possessions), rather than a behaviour or personality variable. According to Richins, one key element of materialism is the belief that one’s own and others’ success can be measured by the things one owns. If materialists believe that success can be visibly demonstrated through possessions, it stands to reason that expensive luxury goods would be a natural mechanism for such demonstrations. This inference is confirmed by empirical evidence which showed that compared to low materialists, high materialists are more likely to value expensive objects, items that convey prestige, and objects that enhance the owner’s appearance (Richins 1991). She also defines materialists as people who believe success can be judged by the things people own.

In principle, none of these three belief domains (acquisition centrality, happiness, or success) is necessarily tied to conspicuous consumption (Wong 1997). In mainstream capitalist culture, success is usually defined in financial terms, which is why the term “successful” is often used as a polite euphemism for wealthy. If materialists believe that success can be visibly demonstrated through possessions, it stands to reason that expensive luxury goods would be a natural mechanism for doing so. Thus the consumption of prestige brands represents one type of materialistic consumer behaviour, where the more materialistic consumers
regard prestige possessions as a cue to evaluate personal or others’ prestige. Thus the materialism framework may provide an important part of the decision-making process when explaining the reason why people purchase or consume luxury products (Wong 1997). CC represents an aspect of materialism, but remains far from being synonymous. This will also be illustrated through a comparison of Richin’s Measure of materialism with the measure of CC later in this dissertation.

In a nutshell, we should see CC as a paradigm that is more holistic in its scope, than the related concepts like Status or Prestige. The visibility parameter creates the fundamental difference, and same, as we have understood by now, is not to be limited to advertisement of wealth only. Fine wine or naked feet of an artist (read M F Hussain) could become conspicuous———it can hardly be classified into status or prestige. Conventionally, conspicuousness has been viewed from a very narrow perspective incorporating wealth dimension only. Based on this fundamental assessment we move on to identify the major unresolved issues in the literature.

2.4 The Unresolved Issues

It may appear from the above profile that the CC and the allied literature, as developed by economists, behavioural scientists, and the marketers, has been able to see the construct in its most holistic form. The researchers starting from 1899 (or beyond) have raised pertinent issues and resolved significant epistemological questions regarding the idea of ‘social consumption’. But a closer scrutiny would reveal that the literature is far from being completely understood.

The analysis can start with a discussion on Mason’s article, which remains the first recorded MARKETING article on the subject but, to say the least, it can be considered unsatisfactory from marketing research point-of-view. According to
the present researcher the few shortcomings of this article include:

1. He accepted the importance of prestige and status influencing the consumption pattern. In spite of this appreciation of the importance of the CC construct, Mason argues CC being an exceptional [italics added] form of consumer behaviour it wouldn't not be realistic [italics added] to expect any detailed explanation as normally being offered by standard consumer-behavioural models. The entire approach to reviewing the concept, thus, is not free of contradiction.

2. His efforts in analyzing the behavioural dynamics of CC using a few generalised consumer behavioural models e.g. Nicosia (1971) and Engel-Kollat-Blackwell (1968) models appear simplistic. These models are complete or as a matter of fact incomplete, as they have tried to explain the consumer behaviour from certain psychological dynamics. Establishing a direct linkage of these models with CC might not yield desired insight.

3. His reference to Kotler (1965) to illustrate the behavioural dimension seems to be inaccurate—the issue discussed and the perspective adopted by the later are significantly different from what is mentioned in Mason’s article.

4. His suggested ‘behavioural approach’ appears to be somewhat disjoint. His assessment of the two ends of the continuum looks incomplete—— in the section “Deriving an Appropriate Model Base” he conceptualised the existence of “rational (utility maximizing) consumer” but the other end is not properly defined. He has not taken into consideration psychology and traits which could also have been identified for proper explanation of CC in a given social context.

5. The citation list in the article, especially given the nature of the same,
remains somewhat inadequate and has does not capture the interdisciplinary perspective toward the construct. For example, Martineau (1954) remains the pioneer in understanding status consumption from marketing perspective but his work remains absent in Mason citation.

6. Finally, he has failed to communicate the research priorities connected to managerial decision making.

The analysis is limited in its ability to delve into the major issues that plague the CC research. Inspite of being the first Review Article, it has failed to give significant direction to the future research, except for accepting the requirement of a proper behavioural model for explanation of CC. It does not delve into the subject details, the suggested model specifications are unclear and, above all, the article fails in delivering specific research directions. On the other hand, articles like the one by Chen (2004), have been published which contain neither methodological rigour nor conclusive and relevant findings. Surprisingly, not only the article has failed to prove its hypotheses, but also has been unable to relate (even the negative ones) the findings, and thereby making no substantial contribution to the extant literature. The other articles published also have significant contradictions and confusions built into them. However, many of these articles, in general, have advanced our understanding of the construct but our Review points out many problems that remain still unanswered:

1. **Lack of a Unifying Core Concept**: Behavioural classification on the basis of Snob, a Bandwagon or Veblenian dynamics (which is actually Conspicuous) remains largely confusing in the light of present findings. For example, there is no evidence that snobs don't like visible consumption (Tepper-Tian 2000). On the other hand, it would be impossible to prove that the Bandwagon consumers won’t like to look somewhat ‘different’. The researcher’s assertion on this is strongly
supported by Brewer’s findings (1991) on ‘optimal distinctiveness’ that even the conformists have elements of distinctiveness and vice versa. These sub-constructs thus overshadow the ‘true’ nature of the CC concept. So both on behavioural and definitional fronts this classification are a source of significant confusion.

2. Conceptual Hybridisation: Simultaneous existence of prestige, CC, status and luxury literature can be considered as yet another less understood area. The terms are often used interchangeably. Hence their ‘true’ nature often gets obscured. As O’Cass et al. (2004) have argued that there is a tendency to define one of these constructs in terms of the other and this practice makes the understanding of the distinctive nature of the said constructs extremely difficult. Luxury, as we have seen, is viewed in terms of quality and value and not just in terms of fancy labels (Chao & Chor 2001) but for CC it may not necessarily imply the same. Thus it will not be an exaggeration to propose that, “Luxury may be conspicuous, but conspicuous may not be a luxury”. Following this line of logic we may argue about how to classify an expensive piece of undergarment—is that a luxury or is that conspicuous? Is drinking fine wine within the confinement of one’s bed room a conspicuous activity or prestige consumption? Thus we see the clear conceptual difference between the terms, which still largely remains elusive in the literature.

3. The Relevance Problem: In the light of the reportings of Holt (1999) and Chaudhuri et al. (2006) it may be argued if the effort of equating ‘expensiveness’ with CC is really tenable? As stated by Triggs (2001) understanding of CC lacks generality as a theory of consumption since it has been applied only to luxury goods (again, my assertion of ‘hybridisation’ gets a support). This gets further support from the findings of Van Kempen (2004). He actually proved that poor people do
intend to pay premium and indulge in CC. His studies in Bolivia show that poor consumers, as a group, are willing to pay a premium for the designer label as a symbol. This willingness to pay for a designer logo was found to be depending on consumers’ relative economic situation, education level, etc. Even in the US context, Miller (1991) argues that it is inaccurate to view the consumption of visible items as only a habit of the very wealthy. These evidences of ‘status dilution’ raise questions against the relevance of continuing with the single-minded classical understanding of the CC construct.

4. The Measurement Issue: Epistemological issues demand that not only we understand the nature but also there should be a formal measurement of the same. Literature survey has yielded a mixed result regarding the measurement issue of the CC construct. A. Use of indirect measurements like the one devised Moschis (1981) in some studies (e.g. Wang and Chen 2004). B. Use of a direct measurement as the one devised by Mareoux (1999) in studies e.g. O'Cass et. al. (2004). C. Complex mathematical indexing method using consumer purchase data (Heffetz 2002). An indirect measurement may significantly reduce the explanability and exhaustiveness of the results; on the other hand, an outdated or an ill-devised measurement can equally limit the scope, validity and interpretability of the results. At this juncture, it is felt that some new measures are deemed necessary.

Rather than analysing the indirect measurement tools, Mareoux et al.’s instrument deems a closer scrutiny. This measure has been found to be used in at least two cases (O’cass et. al. 2004, Chen et.al. 2005) and appears to be the only available direct measure of CC. But analysis of the instrument yields some disturbing facts.

1. The measure was developed as part of explaining a broader marketing
issue to study 'Attitude of Polish Consumers to Foreign Goods'. As the
title suggests the article studied the attitude towards a specific 'object'.
This characteristic of the instrument may yield incorrect conclusions if
used 'universally'.

2. A closer examination of the scale reveals that there is no development
history of the scale. Only a few indicators like the Alpha values and the
Factor loadings are given.

3. The scale is assumed to be composed of 5 sub-scales— and in absence
of an explanation, it seems highly subjective. The nomenclature used by
the authors for the purpose is also not supported by a documented
methodology.

4. Above all what does the scale measure? ————Attitude? Value? Trait?
Motivation?

In view of these observations the scale appears to be highly unreliable for use. In
this regard, one must also mention the state of the Status Consumption Scale
(Goldsmith et.al 1999). The reported measurement bears an uncanny
resemblance to the one devised by Kielsheimer (1993), though latter's name is
not cited in the paper. On face, the instrument looks robust, but the 4 studies
reporting validation look extremely repetitive and lack necessary creativity. One
measure of cultural capital has been found (Garcia 2004). But that measure
reflects US lifestyle and lacks universal applicability. Moreover, the same is
based on items that are drawn from a few very specific activities (e.g. “I regularly
visit ballet theatre”) and may not reflect an individual’s overall tendency using
universal activities/qualities. Vigneron et.al. 2004 devised a measurement of
brand luxury. The instrument is psychometrically robust, but it assumes CC to
be an inherent component of a luxury brand (see Vigneron 1999) and tries to
measure the quantum of the same ‘residing’ in the brand———-but, CC needs to
be seen as an interpretive and perceptual process. The instrument doesn't try to measure the consumer's universal propensity towards CC as a consumption motivation. This perspective would make it, yet again, a proxy measure of the construct rather than a direct one. At the other extreme, authors like Mason (1995) put serious doubts on the measurability of the construct itself, given the question of 'social (un) desirability'. This apprehension is not surprising from an economist who is trying to venture into the marketing area and is possibly motivated by his own assertion that CC is 'exceptional' consumer behaviour. His solution of using means-end chain, as a methodology, is 'qualitative' in nature, hence indicative, cannot be used over a large population, it is statistically inestimable, and hence remains inconclusive.

It is found that there is a minimal effort in measuring the CC construct, not much evidence of usage of scales is found either. In most of the cases proxy measures are used —— the materialism scale remaining the favourite (Wong, 1997). In short, the measurement status of CC and its related concepts still remains in a fluid and 'under-researched' state.

2.5 Contribution of the Present Thesis

Based on this literature review, several points stand out. Firstly, the state-of-affair of the marketing literature in the context of CC, in general, remains hardly encouraging. Serious methodological flaws, inability to develop a distinct marketing perspective, low level priority both from premier journals and accomplished researchers are found to have limited our understanding of the CC construct. The literature, however, suggests that CC remains a significant and fundamental consumer behaviour controller. Some efforts at locating the reasons for the same at the social and behavioural levels have been identified. However, relationships are complex, indicating that boundary conditions and multiple processes variables may remain involved in these explanatory variables, but no
definitive behavioural antecedents have still been identified.

Secondly, nothing is known about the effects of both age and race/ethnicity on CC proneness though culture, in some cases, has been identified to be a moderating variable. The effect of actual demography e.g. sex, and age on CC is still unknown. Moreover, the current literature does not address the effects of changing social milieu like globalisation or postmodernism on CC. Most importantly, there is lack of effort in empirically validating the CC orientation among contemporary consumers by a universally applicable measurement method. Finally, in all the literature reviewed, majorities are investigated in the context of the US and a very few are from selected South-east Asian countries. The present author couldn’t find a single contribution from India which has a unique socio-cultural environment and as a result, the consumers are likely to behave in a different way. India is a country where values are diverse (discussed later also). The cultural factors, varying across states, significantly influence such important behavioural variables like materialism (Chaudhuri and Haldar 2006). This calls for an analysis of the CC construct in the Indian context. Thus at the conceptual, contextual, and measurement levels we have not made a significant progress.

The contribution of this dissertation will be to offer theoretical reasons for as well as empirical testing of the idea that CC has a set of definitive ‘psychological’ antecedents that go beyond the usual social determinants. In doing so, a new definition of CC will be established and that would help explain the said construct in the most contemporary situation. This research will also contribute by developing a rigorous and scientific measurement method backed by an interdisciplinary theoretical approach that may help explain the relationship between CC and other human behavioural variables. It will also add to the Marketing literature by indicating the practical decision paradigms of the newly developed CC concept by demonstrating the usability of the same in the context
of mobile phone and home furnishing purchase situations.

Thus this dissertation applies a scientific look at a construct that has largely been considered in an anecdotal manner. The investigation into the subject, along with the development of a scale to measure this individual difference variable, fills a gap in the literature that is expected to benefit the academicians and marketing managers alike by providing an insight into an important consumer behaviour paradigm.