“Earth provides to satisfy everyman’s need, but not everyman’s greed”
Mahatma Gandhi.

1.1 The Greed Factor and Excessive Consumption

“At resale stores I have seen brand new clothes with original price tag still hanging from the sleeve. Some children have so many toys that they stay frustrated, not knowing which one to pick up for their next amusement. Presumably sensible adults trade in perfectly good cars just to have something shinier and newer. Didn’t us once live productive normal lives, without all these gadgets” [Cunningham (2005)]. During late eighties, nearly forty four percent of the participants, who took part in a consumer survey conducted in the US, responded positively to the question “My closets are filled with still
unopened items” [Faber and O’Guinn (1988)]. Reading such excerpts does not greatly surprise us anymore; as such reports have become common now. For many people shopping has moved beyond something that caters to their needs and wants and has become a hobby [Cunningham (2005)], an activity that they engage in to satisfy their hedonistic or pleasure-seeking goals [Rammathan and Menon(2006), O’Cass and McEween (2004), Faber and O’Guinn (1989)]. Others look at their new possession as something that fills a void in their lives [Belk (1985), Diener et al. (1993)].

Oxford dictionary (2007) defines ‘greed’, as ‘strong and selfish desire for wealth and power’. This selfish desire to have more than what others have, seems to be that which drives individuals into such high consumption habits and is considered to be the inherent characteristic of materialistic individuals [Belk (1984)]. This is the central theme of this research work. Consumption for the sake of consumption is an addictive phenomenon [Scott and Mowen (2007)] which seems to become the order of the day [Zinkhan (1994)]. Csikszentmihalyi and Rochberg-Halton (1978) have rightly elaborated the catastrophic dimensions that such behaviors can lead us into – “Consumption for the sake of consumption becomes a fever that can consume all the potential energy to which it can gain access to”. Such insatiable search for products without much consideration for its utility [O’Cass and McEween (2004)] will ultimately have a huge impact on the society [Kasser (2002), Roberts and Sepulveda (1999)], the environment, [Saunders and Munro (2000), Schwartz (1992, 1994, 1996) and Richins and Dawson (1992)] and also on the individual [Belk (1985), O’Guinn and Faber (1989), Faber and O’Guinn (1992), Rammathan and Menon (2006); Atkinson and Birch (1970)]. Over-consumption has become a fundamental problem that is threatening the wellbeing of earth’s ecosystem [Oskamp (2000), Kasser (2002)].
1.2 Is High Consumption Culture Sustainable?

Many experts are of the opinion that such high consumption culture is something necessary, as it is based on the premise that the economy will prosper only if people buy more products and spend more money in consuming goods and services [Galbraith (1998), Heiskanen and Pantzar (1997), Fuchs and Lorek (2005)]. According to Cunningham (2005), “if we were to put brakes on, what would happen to this robust market place? If factories had no demand for their product, they would have to lay off workers and the people would have lesser money in their pockets to fuel the system.”

A normal consequence of such consumption is to accelerate the discarding of currently used products primarily by making them psychologically obsolete, before they actually wear out [Heiskanen and Pantzar (1997), Basalla (1988), Csikszentmihalyi and Rochberg-Halton (1981)]. The consumers are running out of space to store all the things they buy [Cunningham (2005), Balakrishna (2006), Healey (2008)] and in-turn manufacturers are churning out products that are less durable compromising on the quality aspects [Heiskanen and Pantzar (1997)]. Chronic purchasing of new goods with little attention for their real need [O’Cass and McEween (2004)] is generally considered as the true manifestation of materialism [Fournier and Richins (1991), Richins (1994); Wong (1997)]. Materialistic traits like greed, miserliness and envy would lead to human misery than happiness [Belk (1984)] and also to psychological deviations like compulsive consumption [Faber and O’Guinn (1988)]. In addition to this it would lead to quicker depletion of our scarce natural resources [Csikszentmihalyi and Rochberg-Halton (1978)] and also the environmental degradation [Durning (1994)].
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High consumption cultures is seen more across the most developed western countries [Durning (1994), Csikszentmihalyi and Rochberg-Halton (1978)]. According to Kasser (2002), “humans particularly in the western hemisphere are consuming resources at a pace that far outweighs earth’s ability to renew these resources and absorb the resultant wastes.” As per the reports brought out by ‘Earthscan’, the rich upper class which comprises just one fifth of the global population accounts for four fifths of private consumption [Carley and Spapens (1998)]. When it comes to ownership of products, the distinction between the rich western nations and the rest of the world is even starker. The richest twenty percent owns 87% of the cars and 74% of the telephone connections. This rich group consumes 84% of all paper produced, 45% of all meat and fish consumed, and 58% of the total energy [Carley and Spapens (1998)].

According to IEA’s (International Energy Association), Key Energy Statistics (2010), more than half of the energy consumed since the ‘Industrial Revolution’ has occurred, in the last two decades. While the global population grew only by 5% during 2004 - 2008 period, the gross energy consumption increased by 10% (IEA report -2010), US being the largest consumer of world’s energy resources. Two regions that showed greatest growth in energy consumption during the 1980-2010 period, have been Asia and Eastern Europe. While the energy requirement of Eastern Europe is declining, Asia’s energy requirements are increasing with countries like India and China being the drivers of this growth (IEA Reports 2010). As per the estimates, China would replace the US as the largest energy consumer by 2010-11 [Global Energy Review (2009)].

Are the present levels of consumption sustainable? It has been an established fact that luxurious fast-paced lifestyles of the Western world do
create stress on our planet [Schumacher (1975)]. So, it is quite apparent that we do not have the resources to allow the entire earth’s inhabitants to have the standard of living which Americans and the western world have taken for granted [Zinkhan (1994), Durning (1994), Meadows et al. (1992), Ryan and Flavin (1995)]. Moreover the energy requirements for maintaining the high comforts associated with the life styles of the developed world are causing faster depletion of our energy resources [Csikszentmihalyi and Rochberg-Halton (1978)]. We should also note that creation of most of the products or services will involve some amount of depletion of resources from the larger pool or account [Morwedge et al.(2007)]. Further to this is the harm caused to the environment due to the pollution created during the production of these products [Durning (1994), Meadows et al. (1992), Ryan and Flavin (1995)]. Hence it becomes imperative, to be judicious with our consumption decisions.

As populous Asian nations such as China and India join the high consumption bandwagon [Park et al. (2008), Nueno and Quelch (1998), Ryan and Flavin (1995)], the rate of depletion of scarce resources and also deterioration to environment due to pollution reach critical levels. The aggressive penetration strategies supported by easy availability of debt is transforming the socio-cultural landscape of many nations including India, known for its tradition bound and collectivist societies [Chu (1989), Banerjee (2008), Corbu (2009)]. Increasing globalization tendencies in developing countries is fuelling a growing inclination among consumers in these markets to acquire luxury brands [Handa and Khare (2011)].

As Kasser (2002) rightly puts it, “water, forests and clean air are all being used and polluted at rates far higher than those at which they are being replaced. Wastes from production are creating ozone layer depletion; while our biodiversity is shrinking, so is the total landmass”.

Role of Social Pressure as a Key Contributor of Materialism and Related Status Consumption
1.3 High Consumption Life Styles: Impact on Individuals

This research work is more pertinent to the impact that the high consumption behavior has on individuals. When we look around, it is not very difficult to conclude that the replacement of many currently used products, whether it be mobile phones or cars or laptops, is not because the currently used product is failing to provide the required utility [Nuerno and Quelch (1998)]. It happens more out of social compulsions borne out of hedonistic needs, related to fashion and prestige [Ramnathan and Menon (2006), O’Cass and McEween (2004)] and not based on any utility factor [O’Cass and McEween (2004)]. Such consumption for the sake of consumption can have larger deterrent effects on the individual who undertakes such behavior [Roberts and Sepulveda (1999), Csikszentmihalyi and Rochberg-Halton (1978)].

Financial distress including debt trap [Koran et al. (2006), Faber and O’Guinn (1988)] can become the consequence of such consumption practice and such cases are being reported more and more frequently [Faber and O’Guinn (1988), Perry and Morris (2005)]. Behavioral deviations such as compulsive consumption could be the long term outcome of such high consumption habits [Belk (1985), O’Guinn and Faber (1989), Faber and O’Guinn (1992)]. Psychologically deviant behaviors such as shopaholism [Healey (2008)] binge eating or substance abuse including alcoholism and addiction to drugs (Koran et. al. (2006), Faber and O’Guinn (1988)], can also be traced to this.

The USA is the country most associated with the culture of consumption [Leary (2007), Kasser and Ryan (1993)], although there are ample evidences of this phenomena building up as a global phenomenon [Leary (2007)].
Researchers have focused on the mounting levels of consumer debt right from the 1950s [Galbraith (1958), Raske (1979) and Rice (1979)]. Between 1950 and 1985, debt payment of disposable income grew from 10.5% to 23.9% [Faber and O’Guinn (1988)]. This has been growing ever since. The US household debt of annual disposable income was 127% at the end of 2007 as compared to just 77% in 1990 [economist.com (2008)]. This means that American households have spent more than their disposable income every year, starting from 1999 [economist.com (2008)]. Most households had twelve to thirteen credit cards, with forty percent of them having revolving credit outstanding [Zakaria (2008)]. In 2004, credit card revolving debt, which is a high cost debt, stood at $735.3 billion, a 31% percent quantum increase compared to the figures in 1999. No wonder Americans over the age of fifty five are filing bankruptcy in greater numbers and at a rate faster than the population growth [Newton (2009)]. Personal bankruptcy filings in US doubled between 1994 and 2002 to more than 1.5 million [Golmant and Ulrich (2007)].

For more than one in twenty Americans, shopping is something darker than what it appears on the surface [Healey (2006), Koran et al. (2006)]. According to a study published in Oct 2006 in the American Journal of Psychiatry, close to 5.8% of the American Population suffer from disorders related to shopping habits [Koran et al. (2006)]. Psychiatrist, Timothy Fong, Director of Impulse Control of Disorders at the University of California, Los Angeles, states that he gets several calls from people who seek help in controlling their excessive shopping habits [Healey (2006)]. According to Dr. Fong, “Shopaholism or excessive shopping habits has created deep-rooted problems for the individual. It’s not the lack of willpower that makes the truly addicted shopper unable to get out of his shopping urge, but it is more about his or her inability to control impulses, desires and behavior” [Healey
Such excessive consumption behavior often leads to high levels of depression and anxiety [Koran et al. (2006), Roberts and Jones (2001)] and in many cases it has led to job losses, broken marriages and financial ruin [Healey (2006)].

1.4 Does Material Possessions Bring Happiness?

Advances in science and technology have helped in the invention and mass production of a range of products, created to make life more comfortable. Automobiles, air-conditioners, microwave-ovens, mobile telephony and modern day automobiles are all part of products created with the promise of making life more comfortable. Innovations in marketing and supply chain management have made these products easily available to consumers [Schmid (2010)]. The ownership of such goods coupled with the availability of a range of services aimed at providing entertainment and leisure should have made living a more pleasant experience for our generation. But the reality is very different from this [Zinkhan (1994)]. The present generation seems to be a victim of its own making [Kasser (2002)]. Trying to own and later upgrading to more recent versions of such products, seems to have become a never ending loop into which individuals are committing to [Atkinson and Birch (1970)].

Individuals are using their hard earned money more for providing their pleasure seeking desires and less for spiritual or pro-social needs [Manheim (2007)]. Such orientation to gratify material needs inclusive of acquisition of goods is leading people into unhappiness and despair [Mayers (2000)]. People seem to be struggling to garner enough money to have more and more of these possessions [Koran et al.(2003)] as it will make them appear more successful in the eyes of others [Belk (1985), Richins and Dawson (1992)]. Little do they realize that the pursuit of such items is creating in them a never ending desire for
more and more [Scott and Mowen (2007)]. These products which have been created to make life easier have become the means and end of life for many.

We are living in a time phase wherein a large part of the society desires goods for reasons related to novelty, status seeking etcetera [Achenreiner (1997), Churchill and Moschis (1979), Kwak et al. (2002)] which were traditionally considered as non-utilitarian [O’Cass and McEween (2004)]. A cursory introspection of the society around us will show us that most people replace their mobile phones or laptops or even their cars not because the current one has lost its utility, but more because the current model looks outdated in comparison with the latest releases.

Such acts are perpetuated in today’s society based on the notion that buying of such items will make them happy [Belk (1985), Richins and Dawson (1992)]. These are best expressed through the contents of many advertisement messages which in-turn tells us that “happiness can be found at the mall, in the internet or in the catalogue” [Kasser (2002)]. But the reality is that wealth and possessions do not make one happy and such pursuits will only end in building up more stress and hardships in one’s life [Kasser (2002), Diener et al. (1993), Brickman et al. (1978)].

If wealth and possession could bring in happiness most affluent people should be happier than their less affluent peers. Current empirical research shows otherwise [Allison (2009)]. It is established through research that affluent adolescents face greater levels of depression and anxiety [Luthar (2003); Luthar and D’Avanzo (1999)]. They have reduced subjective well being measures than their less affluent peers [Luthar and Becker (2002), Luther and Latendresse (2005)].
1.5 A Culture of High Consumption Spreading Across The Globe: Indian Scenario

With the advancement of globalization, a culture of high consumption is spreading across the globe [Leary (2007), Roberts and Sepuldeva (1999)]. America has always been seen as the most materialist nation and Americans have been consuming a large percentage of the global resources for meeting their high consumption patterns [Kasser (2002), Oskamp (2000)]. The much touted term American Dream, is just a euphemism for living in luxury [Kasser and Ryan (1993, 1996)]. There is too much focus on possessions and such pursuits are creating a never ending desire for more [Scott (2009)].

The automatic question that will arise at this stage is that most of the facts mentioned so far are more pertinent to the western world and so what is the relevance of such observations for us in India. A study answering this question is highly relevant to India, as we are currently witnessing a transformation of the Indian consumer who was considered to be tradition bound and conservative [Khanna and Kasser (2001), Banerjee (2008), Kumar and Gupta (2003), Dumont (1970)], compared to his western counterpart.

Globalization, rising income levels, change in consumption patterns of upper and middle class and the increase in number of women in the work force makes India an attractive market for status and luxury products from international marketers [Handa and Khare (2011), Khare et al. (2012)]. Indian middle class is approximated at 60 million by 2010 [EIU, Viewswire (2006)] making India one of the largest consumer markets in the world. These changes in socio-economic factors have contributed to the growth of Indian luxury and status market which is growing at the rate of 25% annually. The Indian luxury market currently pegged at US$3.5 billion in 2007 is projected to explode to US$30billion size soon [Kearney (2007)].
There are many evidences in the literature that suggest that globalization is leading to materialism and has led to a steady demand for luxury items [Jacobs (1995), Wong and Ahuvia (1998)]. Ever since the opening up of global economy during the 1990’s, we have been seeing a consumerist boom in India [DeMooj (1998), Handa and Khare (2011)]. This has been fuelled and sustained by the higher salaries earned by the employees in Software, Business Process Outsourcing (BPO) organizations belonging to the Information Technology (IT) and ITES (IT Enabled Services) industry sectors and Financial Services (Banking, Insurance and Non-Banking Financial sectors), which became the largest employer of India’s urban youth.

The transformation is very evident once we consider the products we now buy in India as compared to the products we bought two decades back. According to a market research study conducted by ‘Outlook Money’ magazine and research agency ‘Indicus Analytics’, it was shown that the ownership of cars by Indian households has moved from 19.3% in 1998 to 40.3% in 2008. The growth of mobile phones is much steeper - 15% to 95% during the same period. PC’s/Laptop consumption per household increased from 17.6% to 80% and the ownership of two wheelers moved from 44.7% to 67% during the 1998 to 2008 period [The OLM-Indicus Analytics – Spirit of Freedom Survey (2008)]. Another report by the leading Market Research Agency IMRB-Imprint, (2011) shows that the desire to own consumer electronics products and durables has grown dramatically. About 85% of people in urban areas now own a mobile phone. During the last five years (2005-2010 period), car ownership has grown by 37% and two wheelers by 27%.

Hidden behind this otherwise rosy picture is the fact that more and more Indians are taking high cost personal loans to fund their new consumption behavior [RBI – Trends and Progress of Banking in India (2010)]. It looks as
if the typical debt averse Indian middleclass individual has changed and is more and more leveraging debt to support their buying habits. The fact that causes alarm is that there is a steady degeneration in the asset quality of the retail loans [CRISIL Report, (August 2008)]. Accordingly, the segments that are most affected are personal loans, credit cards and auto-loans.

1.6 High Consumption Behaviors – The Causal Factors

To identify the reasons for such high consumption behavior, more specifically seen in the acquisition of status products, we looked into the literature to understand the contemporary theories on such behavior. Status goods are basically luxury or prestige products that confer and symbolize status for the individual who is in possession of the same [Kilsheimer (1993), Bagwell and Bernheim (1996), O’Cass and Frost (2002)]. Any detailed scrutiny about the reasons for such high consumption of status products leads us to the domain of materialism [Fournier and Richins (1991), Richins (1994); Wong (1997)]. Materialistic people believe that acquisition will bring them happiness, and possession in turn is considered as the sign of success [Belk (1984, 1985)]. Continued harboring of such beliefs eventually culminate in allowing acquisition and consumption of items, especially those that will fetch them prestige or status, as central to their lives [Richins and Dawson (1992)].

Studies conducted in this area have come out with the observation that most people who show such high propensity to consume, score high on materialism scales and low on self-esteem scales [Rassuli and Hollander (1986), Richins and Dawson (1992) and Richins (1991)]. This is where we have to consider the generally accepted notion that people become materialistic in their efforts to compensate for the feelings of insecurity and inadequacy [Kasser et al. (2004)].
Research has established that feelings of insecurity and inadequacy are generated in any individual due to the lack of self-esteem [Rosenberg (1989)]. People with low self-esteem may turn toward materialistic pursuits and values in an attempt to compensate for their low self-esteem [Kasser (2002), Richins and Dawson (1992)]. Feelings of inadequacies get developed during childhood that many a time leads people into high consumption habits [Kasser (2002), Cohen and Cohen (1996), Kassser et al. (1995), Inglehart (1971), Baumrind and Brown (1967)]. Family disruption and parental divorce are also considered as causes for psychologically deviant behaviors and depression in children as they grow up [Gilman et al. (2003)].

Very high rates of divorce are reported in the US. As per the US National Vital Statistics (2009) the marriage rate in the US is 6.8 per thousand of the population while divorce rate is 3.4 per thousand (NVS Report 2009). The proportion of children under the age of eighteen in households headed by a single female in the United States increased from 9% in 1959 to 22.4% in 1999 [US Bureau of the census (2001)] and there is higher incidence of poverty in such households [Gilman et al. (2003)]. These factors in turn contribute to low self-esteem and materialistic tendencies in the children as they move into adulthood, and they are indicative of the high consumption culture prevalent in the US.

The literature holds enough evidence to show that it is materialism in individuals that contributes to high consumption behaviors [Fournier and Richins (1991)]. Researchers have conceptualized materialism as a personal trait, as per materialistic trait theory [Belk (1984, 1985)] and as a value system, as per materialistic value theory [Richins and Dawson (1992)]. Though materialism as a subject has caught the attention of Kapila (700 BC), Chanakya (283-350 BC) and Marx in the middle of nineteenth century, it is only in the
recent past that serious empirical research has been initiated to understand the causative factors of materialism (Pannekoek (1942). Low self-esteem caused by peer influence is considered the key contributor to such consumption behavior during earlier days and now a higher attribution is given to media especially television advertising and television programs in general [Buijzen and Valkenburg (2003a), Williams et al. (2000), Shrum et al. (2005)].

1.7 Materialism and Self-esteem – Exploring the Linkage

The generally accepted notion is that people become materialistic to compensate for their feelings of insecurity and inadequacy [Kasser et al. (2004)]. They try and fill up the void in their lives by acquiring products and brands [Belk (1985), Diener et al. (1993)] and also tend to consider possessions as something that will fetch them happiness [Richins (2004), Kasser (2002), Meek (2007)]. There has been a spurt of research activities in the recent times to look into the contributors of materialistic tendencies [Meek (2007)].

Materialism as an escapism from inward feelings of inadequacy is where materialism finds its linkage to the concept of self-esteem [Rosenberg (1989)]. This materialism pathway proposition is supported by many [Inglehart (1971), Ahuvia and Wong (2002), Reindfleisch et al. (1997), Cohen and Cohen (1996), Kassser et al. (1995), Baumrind and Brown (1967)]. Almost all of these works trace the reasons for such feelings of insecurity and insufficiency to different childhood related factors. Childhood factors that cause low self-esteem are generally categorized under poor nurturing [Cohen and Cohen (1996)], parents being neglectful and adopting harsh disciplinary actions [Baumrind (1965, 1967)], economic deprivation [Kasser (2002)], broken homes and divorced parents [Bynum and Durm (1996), McCormick and Kennedy (2000)].
Kasser et al. (2004) came out with very revealing findings regarding different causative routes in the development of materialism. They suggested the existence of two pathways of materialism. The first is that people become materialistic as a way to compensate for their feelings of insecurity and inadequacy. The second pathway states that people through their socialization tend to have a strong desire for material goods. This happens through family, media and other people whom they interact with. They were of the opinion that the socialization pathway and insecurity-inadequacy pathway interact to create a materialistic orientation in any individual [Kasser et al. (2004)].

Kasser et al. (2004), would have suggested the existence of an alternate pathway, as they definitely would have felt the impact of certain social factors such as the effect of television media, influence of peers and social comparisons playing a developmental role in high consumption culture and hence materialism. They identified socialization pathway of materialism as a different set of factors that plays a major role in developing materialism in individuals as a result of high level of exposure to television programs and advertisements, together with the influence of other significant factors and social comparisons. But the authors [Kasser et al. (2004)] were of the opinion that these two pathways, insecurity-inadequacy pathway and socialization pathway interact in causing materialism in individuals.

There is not much empirical work in literature, related to the influence of socio-cultural factors such as peer group influence and susceptibility to social comparison in developing materialistic tendencies. Most of the work related to the socialization pathway is limited to the exposure to television viewing and television advertisements [Buijzen and Valkenburg (2003a, 2003b), Mishra and Mishra (2011), Harmon (2001)]. Buijzen and Valkenburg (2003a) proposed that exposure to advertising increases with higher rate of television viewing.
viewing and with this there is an increase in the desire for products that are being marketed on the pretext of enhancing beauty or happiness. Many people consider status products as products that enhance happiness as most materialists consider possessions as a route to happiness [Belk (1984, 1985)].

1.8 Rationale of this Study and Research Gap

Status consumption is believed to be closely related to materialism as materialists tend to buy status products with conspicuous value to impress others [Wong (1997) and Eastman et al. (1997)]. Status consumption can be defined as the motivational process by which individuals strive to improve their social standing through the consumption of consumer products that confer and symbolize status both for the individual and also for others that form your social environment [Kilshemeir (1993)]. Hence it is not difficult to assume that people with low self-esteem will get into the consumption of status (or prestige) products as an act to overcome their feelings of inadequacy. Most luxury products fall under this categorization and the personality enhancers such as cosmetics and beauty products too.

The whole question arising here is on whether such accepted theories about self-esteem are applicable to India too. Indians are much more religious and culture oriented and hence they should be treated as different from their western counterparts [Dumont (1970), Mishra and Mishra (2011)]. Strong family ties are a part of the Indian social system. Needs of the children are well looked after in most families except may be in the case of the underprivileged class. Broken marriages and disrupted families are much lesser in India as compared to the west.

This research was undertaken primarily to understand whether the prevalence of high luxury or status consumption seen in Indian cities are caused
by similar factors as compared to what is observed in the west. The researchers first carried out primary studies among students undergoing professional post-graduate programs in management [Thomas and Wilson (2009, 2012)] and later among working executives [Thomas and Wilson (2011)], to understand the prevalence of such tendencies in our environment. In both these cases it was observed that there were clear evidences of status consumption among the respondents, without much concern for utility. ‘Social Pressure’ was seen as the key aspect leading to such buying behavior and Peer influence and social comparisons were observed as the two predominant factors contributing to such behavior. It was also observed that easy availability of finance was an important factor fuelling such purchases [Thomas and Wilson (2012)].

Later an exploratory work was taken up with MBA program students to check the incidence of low self-esteem generated because of childhood related factors [Thomas et al. (2011)]. The sample consisted of 203 final year students (who were present on the day when the schedule was distributed) from two leading Business Schools in Kochi. The results from the study showed that more than ninety percent of them had high self-esteem scores. The existence of high self-esteem levels can be justified as most of these students came from good family backgrounds, where their childhood needs were well taken care of, by their parents. This factor was established through this study. But contrary to the established beliefs, more than one third of the respondents who had high self-esteem were found to be materialistic. The study used the scales developed by Richins and Dawson (1992) and by Belk (1984) to measure materialism and self-esteem was checked using the scale by Rossenberg (1965). These findings tallied with the findings of Mishra and Mishra (2011) in substantiating the existence of materialistic values among individuals in
India. Ironically the interesting aspect about this phenomenon is that materialistic tendencies were found to co-exist with high self-esteem levels.

An attempt was also made to compare the results published by different researchers across the world, who have tried to empirically establish the link between low self-esteem and materialism in the recent past. Here again it was noticed that they could not achieve substantial evidence to prove that low self-esteem is the major causative factor of materialism. In a study by Mick (1996) where measurements were taken from two different samples saw the existence of practically very low, but significant negative correlations \((r = -0.19, p < 0.01\) and \(r = -0.14, p < 0.05\)). Studies by Chancellor (2003), found no-significant association \((r = -0.12, p > 0.05)\) between materialism and self-esteem. Recent studies by Meek (2007), showed the lack of existence of any significant relationship \((r = -0.09, p > 0.05)\) and Benmoyal-Bouzaglo and Moschis’s (2010) study in France showed no significant correlation \((r = 0.039, p > 0.05)\).

The findings from the exploratory study \((r = 0.004, p < 0.05)\) and the results from a pilot study \((r = -0.104, p > 0.05)\) taken up by this researcher matches with the findings from similar studies mentioned in the earlier paragraph. These findings actually dispute the views put forward by Banerjee (2008), that Indian society is generally averse to material values. The reason for this transformation can be attributed to a certain extent, to the larger penetration of global brands in India, because of globalization. It is similar to the statement by Venketesh (1994), “In India material values co-exist with spirituality”, and it seems to explain better our environment compared to the notion that we are not materialistic.
1.9 Identification of Social Pressure Factors

As mentioned in the earlier section, results from the preliminary studies helped in understanding the role played by social pressure as a predominant factor in triggering status consumption and also the role of peer pressure and social comparisons in causing social pressure [Thomas and Wilson (2012)]. Further literature on socialization factors considered contributors of materialism were reviewed, and it was noticed that there existed evidences which indicated the role of socialization factors in causing social pressure and in turn leading individuals to high consumption habits and materialistic behavior.

The idea behind social pressure pathway is borrowed from the socialization pathway of materialism as proposed by Kasser et al. (2004). Socialization theories put forward that factors such as media including television, family, peers and social comparisons can act as contributors of materialism. Unlike socialization pathway, social pressure pathway is not associated with self esteem, and this remains as the major differentiating aspect.

Though most media channels play a major role in inducing consumption habits, visual media, especially television through its advertisements and programs play the most important role in the development of materialistic values. Many earlier works in this area have considered the effects of exposure to television in detail [Buijzen and Valkenburg (2003a), Gerbner et al. (1982, 2002)] and have already proved the role played by television in making people believe that what they see on television is the reality and thus inducing in them consumption related pressures [Moschis and Moore (1982), Signorielli and Morgan (1996)]. In view of this attitude to television is included as a social-pressure factor in this study.
Though seen as a socialization factor by many, family is not considered a contributor of materialism in this study, as review of literature has shown that the influence of family and family communications as negligible when compared to that by peers on post adolescents [Moschis and Churchil (1978), Meek (2007)]. Chan and Prendergast (2007) also have come out with substantial empirical evidences to show that family does not play any significant role on adults, in moulding their consumption habits.

There exists enough evidence to show that consumers spend more on purchasing status and luxury items when they use credit instruments or when there is easy availability of financing [Prelec and Simester (1998), Gourville and Soman (1998), Soman (2001), Sarangpani and Mamata (2008)]. Last few decades has seen dramatic increase in consumer lending and higher debt burden among individuals [Faber and O’Guinn (1988), Black and Morgan (1999), Canner et al. (1998, 1999), Lyons (2003)]. This greater reliance that individuals are showing to debt financing is bringing in them a cultural shift towards higher consumption behavior and associated financial distress [Nickerson et al. (2003)]. Such findings have led to the inclusion of attitude to debt as a social pressure factor which plays an enabler role in the development of materialism.

Literature shows that television channels across the world portray rich and affluent life-styles which cater more to the fantasies and desires of individual consumers [Shrum et al. (2003), Williams (1991)]. Internalization of such values by individuals makes them get into upward social comparisons with the rich and affluent class thus developing a craving for acquisition of those status material possessions [Ogden and Venkat (2001), Frank (2005), Royo (2007)]. Moreover in today’s society, people make inferences of others on the basis of items they own and use [Belk (1980), Rosenfeld and Plax
This builds peer-pressure on individuals to buy and use such products which will fetch them social status [Calder and Burnkrant (1977), Solomon (1983)]. Such induced desire for more and more material items is bringing in a cultural shift towards higher consumption standards, driving individuals to have greater reliance on debt financing [Richins and Rudwin (1994), Lea et al. (1995)]. From this it can be suitably deduced that socialization factors such as attitude to television, peer pressure, social comparison and attitude to debt together cause social pressure in individuals which is ultimately making them materialistic.

1.10 Research Problem and Study Objectives

The materialism predominant in the western countries can be attributed to the internal factors such as low self-esteem. Even though an alternate socialization pathway theory exists, most experts believe that it is an interaction between the inadequacy pathway and socialization pathway that lead to the development of materialistic values in individuals. This can be categorized as the ‘push factor of materialism’ (as shown in fig. 4.6 in chapter 4). But the materialism experienced in Indian conditions, may not be fuelled by low self-esteem caused by childhood factors, it is due to socialization or externalized factors, which is the ‘pull factor of materialism’ [Thomas et al. (2011)].

Most studies carried out to substantiate the socialization pathway of materialism are limited to the area of exposure to television advertising as a causal factor of materialism. Practically very little empirical work exists linking other factors related to socialization with the development of materialistic tendencies. Through this study the researcher is trying to establish the role played by other factors contributing to materialism other than television viewing, namely, peer pressure, social comparison and attitude to debt financing.
1.10.1 The Key Research Problems of the Study:

1) Is the materialism seen in our Indian environment, driven by factors other than low self-esteem?

2) If so, does -
   a) The Internalization of values projected through television media,
   b) Peer influence factors and
   c) Upward social comparison

- act as factors causing materialism.

3) Does positive attitude to debt or propensity to avail credit, play a major role in developing materialistic values?

4) Can these factors together be generalized as a different pathway of materialism caused by externalized factors which causes social pressure?

1.10.2 The Major Objectives of this Study:

Socialization pathway of materialism suggested by Kasser et al. (2004) states that the different socialization factors ultimately create a low self-esteem in individuals and it leads them to materialism. The root cause of materialism observed in India, known for its strong family ties, socio-cultural and religious values, may not be due to the interaction of internalized inadequacy-insecurity factors or external factors of socialization interacting to form low self-esteem, but can be due to the combined effect of the socialization factors leading to social pressure. This can explain why high self-esteem individuals also hold materialistic values.
Hence the objectives of the study are:

1) To understand the role of self-esteem as a contributor to materialism in Indian socio-cultural perspective.

2) To examine the effect of socialization factors such as attitude to television, peer influence, social comparison and attitude to debt as contributors of materialism.

3) To check the role of social pressure as moderator of socialization factors leading to materialistic tendencies.

Based on the above objectives, different hypotheses were formulated which are discussed in detail in chapter 4 (Theoretical Framework of this Study). The Fig. 1.1 below captures the summary of the hypotheses formulated for this study.

Fig.1.1. Summary of the Hypotheses Formulated
1.11 Methodology Adopted

1.11.1 Sampling Design

Population in this study is defined as “executives working in the corporate sector in major cities in South India”. Here executives mean persons working mostly in middle and lower level of management cadre. Corporate sector comprises companies in both public and private sector which are leading employers of professionally qualified youth. Major cities are the metros in south India namely Bangalore, Hyderabad and Kochi.

This study was carried out in three major cities in South India namely Kochi, Bangalore and Hyderabad and respondents were executives working in different corporate offices in these cities. Kochi was selected as it is a fast growing city known for its indulgent population. Moreover all the exploratory work was carried out in Kochi. From the other leading metro cities in South India namely Chennai (population 9 million), Bangalore (Population (8 million) and Hyderabad (7 million), Bangalore and Hyderabad were selected as these cities are more pronounced for their high consumption lifestyles [Mitra (2008)]. The younger executives were targeted as the younger age group is more susceptible to the influence of media and peers.

It is difficult to correctly estimate the total population size. Sample size estimation was carried out on the basis of the descriptive statistics of the materialism values observed during the pilot study. Mean and standard deviation for materialism were highest among the seven key variables of this study and hence this was taken for estimating the effective sample size. The sample size estimated with 95% confidence level was 416.

A multi-stage sampling procedure was adopted for this study. During the first stage the decision on the locations where the study is to be carried out was
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made. Based on which we decided on the three cities mentioned earlier. Afterwards we selected fifteen companies each from these three cities. These companies where selected randomly from the sample frame comprising the list of companies which carried out placements in leading business schools in these cities. All these organizations were leading corporate entities and major employers of professionally qualified persons. As the researcher could not get required permissions from some of these organizations, questionnaire schedules were finally circulated only in thirty five organizations.

Though two hundred and eighty questionnaires were distributed in fourteen organizations in Kochi, the researcher could get back only 216 valid samples from this (77% return rate). Similarly two hundred and forty questionnaires were given to executives working in twelve organizations in Bangalore from which the researcher got back 191 valid samples (79.6% return rate). One hundred and eighty questionnaires were circulated among employees of nine organizations in Hyderabad and the researcher could get back only 136 valid samples (75.6% return rate). Thirteen questionnaires were discarded for being incomplete. This left us with 530 valid samples. During the course of data analysis seven more were discarded to contain the outliers observed.

1.1.1.2 Instruments Used

The study involved measurement of seven variables, materialism (material values), self-esteem, social pressure, attitude to television, peer pressure, social comparison and attitude to debt.

Self-esteem was measured using Rosenberg’s (1965) scale and Richin’s and Dawson’s (1992) scale was used for measuring materialism. These two scales have been widely used and have been tested for construct validity in earlier
studies conducted in India. Attitude to Television was measured using a scale adapted from Rossiter’s (1977) scale “Attitude to Television Advertising by Children”. Peer Pressure was measured using an adapted scale from Bearden, Netemeyer and Teel’s (1989) scale for measuring “Consumer Susceptibility for Interpersonal Influence”. Social Comparison was measured using an adapted version of the scale from Lennox and Wolfe’s (1984) scale for “Attention to Social Comparison Information” (ATSCI). Lastly, the attitude to debt scale was adapted from Lea et al. (1995) the scale for measuring “Consumer Attitude to Debt”.

The scale for social pressure was specifically devised for this study from a large pool of items by factor analysis and reliability tests. A 33 item scale, for measuring social pressure and the four variables presumed as contributors to social pressure, was pretested in Kochi with a sample of 73 respondents. Based on the results the questionnaire was modified to the final form containing the 20 item scale.

1.11.3 Pilot Study

The schedule of questions developed was tested by distributing them to executives working in three organizations in Kochi and 48 filled responses were collected back and analyzed. The feedback received from this pilot study was used in finalizing the questionnaire. This pilot study helped us in confirming our premises that there is no significant correlation between self-esteem and materialism as shown earlier. It also indicated existence of significant association between materialism and social pressure.

1.11.4 Data Collection Process

For data collection, survey method was adopted as a fairly large quantity of data had to be collected. The samples totaled to 530, consisted of working
executives from 3 cities Kochi (210), Bangalore (188) and Hyderabad (132). Mean age was 30.55 (SD = 7.76) and 65% of the survey participants held professional qualifications.

The questionnaire consisted of two sections (appendix 1). The first section comprised questions on their attitude towards status products and to check the importance given to possessions and acquisition of material things. Measures of self-esteem were also included in this section. General information about the respondents was also collected through structured questions included in this section. Second section was structured to measure all the other major variables included in this study, such as material values, social pressure, and attitude to television media, peer pressure, social comparisons and attitude to debt.

Data analysis was carried out after testing for normalcy and after establishing reliability and validity of all the major variables. Statistical packages such as SPSS and AMOS were used for data analysis. Correlation and regression exercises were used to establish the relationship between the hypothesized variables and to develop models. Canonical discriminant analysis and confirmatory factor analysis using structural equation modelling were used to test the social pressure model developed. ANOVA, t-tests were also used to support the major observations. A partial correlation testing was taken up to establish the moderating role of social pressure variable.

1.11.5 Flow Chart of Research Process

To gain better understanding of the methodology, the following flow chart, fig.1.2 is developed. It provides sequential order in which the research process has been undertaken.
Fig: 1.2: Flow Chart of the Research Process
1.12 Structure of this Report

This thesis has two major parts and consists of seven chapters including this introductory chapter. The first part is based on the secondary data or the literature review organized in two chapters namely, chapters 2 and 3. Part-II contains the primary data based research designed to test the different hypotheses developed based on inferences from literature review and previous studies undertaken by these researchers.

Chapter 2 of the literature review part comprises two sections. The established theories and published works in the area of materialism are reviewed in the first section. The impact of media especially the role played by television in the development of materialism in individuals under the socialization pathway of materialism is dealt with here. In the second section concepts and theories of self-esteem are reviewed. Chapter 3 looks at all the socialization factors, such as peer influence, social comparison and attitude to debt, which are considered to be causal factors of materialism. And the fourth section is dedicated to the review of literature related to luxury and status consumption.

Part-II is a detailed description of this study particularly about the methodology adopted in the primary research, data analysis and results leading to the discussions of the results. Chapter-4 has a section dedicated to concepts and previous studies related to social pressure, followed by the gist of observations leading to the development of the hypothesis which is recorded as a separate section.

Chapter-5 contains the methodology part, followed by chapter-6 where the analysis and the results of the data analysis carried out are incorporated. Chapter-7 contains various discussions on the key results and observations coming out from this study.
Part I

LITERATURE REVIEW

Best Things in Life are Not Things ……
(Art Buchwald)

The literature review is divided into two chapters (chapter 2 and 3). Chapter 2 is further divided into two sections. In the first section the theories and conceptualizations related to materialism are considered. As our research is more pertinent to the factors that cause materialism, the inadequacy-insecurity pathway and socialization pathway of materialism are discussed in detail. The review of literature related to the role played by television media in causing materialism is included here. In the second part conceptualizations related to self-concept are discussed. These two concepts have been grouped together as they are considered as the two key factors that lead to high consumption lifestyles, according to the contemporary thinking.

Chapter-3 consists of literature review on factors related to socialization. The factors considered here are those factors which were accepted as factors of the alternate pathway to materialism by Kasser et al. (2004). This chapter is classified into four sub sections. Individual’s attitude to television advertisements and studies on the effect of high exposure to television programs and advertisements is already discussed in chapter-2 and hence not included in this. Literature related to peer influence and group pressure is reviewed under section-1, while the literature reviews related to social comparison areas are included in section 2. Literature on the new dimension, namely the ‘attitude to consumer finance and consumer debt’ included as a contributor to social pressure and materialism is reviewed in section 3 and section 4 deals with the details of the review of studies in the area of status consumption.