Chapter 49
Conspicuous Consumption via Social Media

Lee Kar Wai
Universiti Putra Malaysia, Malaysia

Syuhaily Osman
Universiti Putra Malaysia, Malaysia

ABSTRACT

Conspicuous consumption has been explored since 19th century, focusing on its conceptual or mathematical modelling. It has gained widespread attention in the Western culture as compared to East. However, the increased performance of luxury market and strong demand for luxury goods in developing countries urged investigation on the spread of this consumption pattern. This chapter examines conspicuous consumption in Malaysia via social media usage. A research was carried out involving 387 respondents in Klang Valley, Malaysia. The results suggest Malaysian are moderately materialistic and propend to conspicuous consumption. Through the exposure to social media, consumers are being situated in comparison with other social media users and inclined to learn and pick up the consumption styles that are being exposed to. Thus, high level of social media usage can lead to high inclination in consuming conspicuously.

INTRODUCTION

The worldwide luxury market has continued to shine in recent years. The Luxury Goods Worldwide Market Study, Fall–Winter 2018 conducted by Bain and Company found that the luxury market had shown positive performance across the industry and grew about 5%, an estimation of €1.2 trillion globally. As the emerging luxury market, 70% of consumers in China, Russia, and United Arab Emirates had reported an increase in their spending on luxury purchases (Deloitte, 2017). Consumers in developing countries such as Asian countries are now more exposed to prestige and luxury goods as well (Wan-Ismail, Zakaria, & Abdul-Talib, 2016). Indeed, Malaysians are increasingly brand conscious throughout the years (Bagheri, 2014). Luxury market has also shown increasing growth due to the important contribution

of the youth (Giovannini, Xu, & Thomas, 2015), particularly consumers from Generation Y has shown more interest in international brands (Tee, Gharleghi, & Chan, 2013).

There are analyses of globalism mentioned that consumer culture is spreading from the West to different parts of the world, where consumers from developing countries started to prefer luxury brands as similar to those Westerns (Ger & Belk, 1996). Social media can be a major contributor to this effect due its availability of variety data and information from the mass media, international tourism, and multinational marketing (Durvasula, Lysonski, & Watson, 2015; Zhou & Belk, 2004).

Moreover, according to statistic from Multimedia and Communications Ministry in 2017, Malaysia has a 117.3% of household broadband penetration and 98% out of the 24.5 million active internet are using social media. Assessing social media has become a daily routine for people where Malaysians spend up to three hours daily to access the internet on their mobile phones, and up to three and a half hours on social media. Through all the time spending on social media, users get to know and learn about new brands and luxury goods are not exceptional. According to The Star, 94% of Malaysians discover products and brands on Facebook and 62% of them make a purchase after the discovery (Lee, 2016). Supporting that, a study of Hajli (2014) had proved that social media can influence consumers purchase decisions; and high intensity of assessing to social media can also have direct influence on conspicuous consumption (Thoumrungjore, 2014).

Previous studies revealed the connection between consumers' attributes and conspicuous consumption, particularly social visibility, materialism, self-esteem, individualism, and desire for uniqueness (Chaudhuri et al., 2011). Among the values of luxury consumers, materialism is the crucial one (e.g., Fournier and Richins, 1991). According to Kasser (2003), it is characterized as the propensity to ascribe noteworthy significance to material belongings and eminence. Hence, individuals, who are highly materialistic, are bound to display high social status through the purchase of luxury goods (Fournier and Richins, 1991; Wang and Wallendorf, 2006). Specifically, materialism enhances interest in luxury brands (Gil, Kwon, Good, & Johnson, 2012) and a preference for luxury goods (Prendergast & Wong, 2003; Wong & Ahuvia, 1998). However, it was revealed that desires which driven by acquisition of money and possessions frequently prompt to problematic consequences as the association between endorsement of materialism and well-being very often were inverted (Dittmar, Bond, Hurst, & Kasser, 2014; Twenge et al., 2010).

Consumers in the Western countries seek brands that make them comfortable with; however, for consumers in Asian countries, the most elevated need in brands is with respect to status seeking. These attitude, value and practices encompassing conspicuous consumption are especially crucial to investigate because they are originally viewed as western ideals and have started to be a norm in East Asian due to the globalization (Podoshen, Li, & Zhang, 2011).

Conspicuous Consumption

Conspicuous consumption was originally coined by American economist Thorstein Veblen (1889) in his book, "The Theory of the Leisure Class", indicating wealthy people obtain products and services with the purpose to show monetary power as the motivations behind achieving or keeping up social status (Veblen, 1899). Likewise, Veblen goods are defined as luxury goods for which the quantity demanded increases as the price increases which against the law of demand. Initially, these concepts were heavily linked with the upper classes of society, whom are affordable to spend their disposable income on goods and services that are not based on the functionality; instead, on how luxury the product is in order to display wealth and gain higher social status.

Related Content

The Use and Management of Public Information in Social Media: A Case Study of Town and City Councils Throughout Andalusia on Twitter, Facebook, and YouTube
Inmaculada Sánchez-Labella Martín (2023). *Research Anthology on Social Media's Influence on Government, Politics, and Social Movements (pp. 384-399).*
www.irma-international.org/chapter/the-use-and-management-of-public-information-in-social-media/312685

Team Identification, Team Performance and Leader-Member Exchange Relationships in Virtual Groups: Findings from Massive Multi-Player Online Role Play Games
Daniel M. Evelethand Alex B. Eveleth (2012). *Technical, Social, and Legal Issues in Virtual Communities: Emerging Environments (pp. 36-51).*
www.irma-international.org/chapter/team-identification-team-performance-leader/67229

A Tale of Two Cultures: The Political Behavior of CIO's in the US and India
Celia Romm Livermoreand Pierluigi Rippa (2013). *International Journal of E-Politics (pp. 48-60).*
www.irma-international.org/article/tale-two-cultures/78379

Impact of General Social Media Experience on Usefulness for Business in the Workplace
Donald L. Amoroso, Tsuneki Mukahiand Mikako Ogawa (2014). *Integrating Social Media into Business Practice, Applications, Management, and Models (pp. 14-32).*
www.irma-international.org/chapter/impact-of-general-social-media-experience-on-usefulness-for-business-in-the-workplace/113584

A Taxonomy of Censors and Anti-Censors: Part I-Impacts of Internet Censorship
Christopher S. Leberknight, Mung Chiangand Felix Ming Fai Wong (2012). *International Journal of E-Politics (pp. 52-64).*
www.irma-international.org/article/taxonomy-censors-anti-censors/65552