

A Study on the Role of Materialism and Interpersonal Influence in Triggering Conspicuous Consumption among Emigrants from Kerala

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Abstract

Several studies have established that various personality traits like materialism and social traits such as susceptibility to social influence explain conspicuous consumption. This paper examines the influence of materialism and susceptibility to interpersonal influence on conspicuous consumption tendencies of a sample of 640 expatriate Keralites. The study validates that two of the three dimensions of materialism significantly relate to conspicuous consumption which means materialism is mostly related positively to buying products that confer status. Susceptibility to interpersonal influence is also seen to be instrumental in triggering conspicuous consumption among emigrant Keralites. Variation in conspicuous consumption with regard to gender, age, education, occupation and income levels are also examined. The study offers interesting insights to marketers in developing consumer-centric approaches towards product-development, pricing and promotion and also assists in psychographic segmentation of status seekers. It proposes ways and means of developing and maintaining meaningful engagement with customers by exhorting marketers to assume greater social responsibility and focus on societal outcomes stemming from promoting a lifestyle centered around materialism and conspicuous display of wealth.

Keywords: Conspicuous consumption, Emigrant, Interpersonal influence, Kerala, Materialism.

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1. Introduction

The Kerala model of development has always represented a paradox to economists, political scientists and sociologists. The co-existence of poor economic growth with highest Human Development Index, retarded industrial growth with high standards of living, low per capita income with high consumption is unseen anywhere in India (Zachariah *et al.*, 2003). Kerala experienced large scale migration to the Gulf countries from the year 1973. Ever since, the Kerala economy is largely dependent on remittances for its survival. Migration and migrant remittances must have contributed more to poverty alleviation than other factors like agrarian reforms, trade union activities and social welfare legislation. Remittances account for 36.3 percent of the state's net domestic product, 1.2 times the revenue receipt of the Kerala Government and 1.5 times the Government's annual expenditure (KMS, 2014). The growing size of the diaspora and subsequent increase in disposable income by way of remittances significantly explains shifts in buying behavior of Keralites (Vadakepat, 2015). The fact that Kerala leads the country in a key indicator of living standards called MPCE (monthly per capita expenditure) despite having low GDP and per capita income and low productivity figures, is demonstrative of this relationship. It may be noted that the top five remittance recipient countries in the world in terms of value of remittances continue to be India, China, Philippines, Mexico and Nigeria with India receiving US\$70.3 billion in 2014. Kerala is recipient to 33% of all India remittances (World Bank, 2014). Total remittances to Kerala for the period 2013-14 stand at a staggering Rs. 72680 crores, of which household remittances alone total up to Rs. 24374 crores (KMS, 2014). Around 50 lakh individuals in Kerala are dependent on remittance income for their sustenance and livelihood (Pravasi Malayali Census, 2013).

Diaspora migration and constant contact with the outside world have created a trickle-down effect on the mindset of the Kerala society. Consumption has become the yardstick to measure socio-economic status in Kerala (Zachariah and Rajan, 2015). The housing and shopping trends that Kerala society pursues are indicative of the consumerist culture existing in the state (Nair, 1986; Sooryamoorthy, 1977; Zachariah *et al.*, 2003). The impact of emigration on conspicuous consumption may be both direct and indirect. The changing life habits and spending spree associated with the increase in income from working abroad is an important trigger. This is manifested through direct spending by the emigrant on visits to the state and indirectly through the emulative

consumption behavior adopted by family members in Kerala who are recipients of remittance income. Consumerism exhibited by these emigrants and their relatives are guided by the exposure to global trends and the availability to easy money respectively. The indirect impact is related to the emulative behaviour among non-migrant families in the state. Such behaviour is often facilitated by the demonstration effect triggered by widespread consumption in emigrant families. This exceptional emulation tendency is an indirect offspring of emigration too.

Emulation has been considered a way of achieving status in the society. Those in the lower strata of society seek to emulate the lifestyles of the upwardly mobile (Mansvelt, 2005). Belk (1988) asserted that consumers feel jealous or envious when others acquire a greater number of possessions. Podoshen and Andrzejewski (2012) posit that an individual who resides in a society that values material objects (and where material objects signify social status) will be disposed towards obtaining a wider array of possessions to further anchor (or attempt to enter) a specific stratum in society, with debt being an afterthought or not even a consideration. In Kerala, this tendency for emulation has become a norm. In a study among households in Malappuram district which leads the state in terms of annual remittances, it was found that housing and land use are the major source of emulation (Abdulla, 2014). The emigrant households, with their fortune, went on outdoing others and the non-migrant groups tended to emulate them quickly. Multiplicity of huge houses and mansions found throughout the state may be reflections of this behavioral pattern. Apart from houses, a common object of emulation and of ostentation was found to be vehicles. 97% of the households surveyed had at least one vehicle, 50 percent had two personal vehicles and 33% had more than two. With regard to more aspirational products such as cars, 62% households had one car and 13% had two. This is in sharp contrast to the national average of 13 cars per 1000 population (Ghate and Sundar, 2014).

For the emigrant community, the trans-nationalisation of work and residence paves the way for conspicuous consumption. The migrants' sense of dual residence – one in Kerala and one abroad- makes it difficult for them to distinguish between luxury and necessity. Overtime, consumerism becomes a normal part of life for them and through demonstration effect, for resident Keralites too. Thus there is a strong positive relation between international migration and rise of consumerist culture in Kerala. It is against this backdrop that such a study on the emigrant community from Kerala assumes relevance.

Operational Definition of Emigrant

In keeping with the study's objective of assessing the conspicuous consumption tendencies of emigrants in connection with the state of Kerala, an effort has been made to include only expatriates with close social, emotional and financial ties to the state. This means that only emigrants who financially support their families in Kerala by way of remittances, emigrants who frequent Kerala atleast once in two years and those who confess to being the key decision maker in the family's household purchase decisions in Kerala have been included in the sample.

2. Research Question and Research Objectives

Little research has accounted for the predictive impact of socio-psychological constructs on conspicuous consumption, not just globally but also in the Indian context and this paper attempts to fill the void. Previous research by Richins and Rudmin (1994) and O'Çass and McEwen (2004) vouch that personality traits such as materialism and social factors such as susceptibility to interpersonal influence need to be factored in when studying conspicuous consumption. The research question that this study tries to answer is 'How do social and psychological constructs like Interpersonal influence and Materialism interplay in predicting conspicuous consumption among emigrant community from Kerala?'

In line with this purpose, broadly three research objectives are examined:

1. To examine which dimensions of materialism influence conspicuous consumption among emigrants from Kerala.
2. To examine which dimensions of susceptibility to interpersonal influence impact conspicuous consumption tendency among emigrants from Kerala.
3. To examine conspicuous consumption tendencies of emigrant Keralites in the context of various demographic influences.

3. Conceptual Framework

This paper looks to examine constructs like materialism and susceptibility to interpersonal influence and its relatedness to conspicuous consumption from

the perspective of emigrants from Kerala. The following sections discuss the existent research in each domain.

3.1. Conspicuous Consumption

The examination of conspicuous consumption in the modern world gained momentum during the Industrial Revolution, further powered by Veblen's *Theory of the Leisure Class*. Thorstein Veblen (1899) proposed that once basic needs are met, excess income or wealth would be devoted to the pursuit of status-promoting goods and services used to distinguish the upper class from the lower classes. Veblen introduced this concept to describe the lifestyle of upwardly mobile classes who purchase goods and services not out of necessity but as indicators of wealth and status. The key objective of conspicuous consumption is to impress others by the ostentatious display of wealth in order to demonstrate superior status of the individual to others (Riquelme et al.,2011). It is a behavioral tendency of displaying one's wealth, social status or taste to important reference groups by consumption of publicly visible products (Chen *et al*,2008). Consumers in a consumption-based society mostly believe that possession of certain conspicuous goods is required for upward social mobility. Here the primary need satisfied is prestige (Belk,1988), and product satisfaction is often derived from audience reaction as opposed to actual product use (Wong,1997). Researchers such as Chaudhuri *et al.* (2011) have acknowledged the correlation between status-seeking behaviour of consumers and their intention to conspicuously consume. Ger and Belk (1996) found that because of the demonstration effect, underdeveloped nations try to imitate the extravagant and symbolic consumption of developed ones. Batra *et al.* (2000) reported that because consumers in developing countries are relatively less affluent, they become victimized by inferiority and insecurity. To overcome this, they embrace Western materialism by purchasing Western brands exposed to through media, family members residing abroad, and their own international travel. This study posits that there is an established link between exposure to global trends and tendency for conspicuous consumption.

3.2. Materialism

Materialism is a prominent individual difference variable viewed both as a personality characteristic (Belk, 1985) and as a unique set of values (Kasser, 2002; Richins, 2004). All researchers agree that materialism upholds a focus on individualistic goals over collective well-being. Belk (1985) defines

materialism as “the importance a consumer attaches to worldly possessions”. Materialists believe that success is judged based on the things people own. Materialism is assumed to have three dimensions, namely possession-defined success (how much does one use possessions as an indicator of success), acquisition centrality (how much does one place acquisition of possessions at the centre of ones’ personal well-being) and the pursuit of happiness (the belief that possessions are necessary for happiness), as per Richins and Dawson (1992).

Possession-defined Success: Materialists tend to judge their own and others’ success by the extent of possessions accumulated. Materialists believe they are successful to the extent they can possess goods that project these desired images in society. Handa and Khare (2013) report a significant relationship between fashion clothing involvement and materialism among Indian consumers. Fashion clothing conveys individuals’ status in society and is therefore significantly related to materialism. *Acquisition Centrality :* Materialists place acquisition of possessions at the center of their lives and view these as essential to their existence (Richins and Dawson,1992). *Pursuit of Happiness:* Richins and Rudmin (1994) posit that acquisition and consumption give happiness to individuals having high materialistic tendencies.

Increase in materialism can have negative consequences in societies where people end up borrowing and acquiring debt to impress others (Kellett & Totterdell, 2008). Several studies have found that materialism is inversely related to quality of life, wellbeing and personal satisfaction (Roberts and Clement, 2007). The negative consequences include unmanageable consumer debt, depleted savings, consumer bankruptcy, depression, psychological disorders, substance abuse and unhappiness (Roberts *et al.*, 2005; Roberts & Clement, 2007).

3.3. Materialism and Conspicuous Consumption

Conspicuous consumption maybe related to materialism because it focuses on the acquisition of specific material goods that confer status. Existing literature suggests that materialistic individuals tend to value goods that are consumed publicly and possess aspirational value (Richins and Floyd, 1994; Kim, 1998). With respect to consumption, materialism influences the type and quantity of goods purchased. Mason (1981) found a positive correlation between materialism and degree of conspicuous consumption. Richins (1994) found that materialists are likely to value publicly displayed items, which signal success and social status. Eastman, Goldsmith and Flynn (1999) showed that their measure of status consumption had a statistically significant correlation with

Richins and Dawson's (1992) measure of materialism. According to Fitzmaurice and Comegys (2006), materialism is positively related to conspicuous consumption motivation and consumer spending. Fournier and Richins (1991) argued that materialistic urges are related to the desire for status and prestige. Goldsmith and Clark (2012) found that materialism is positively related to buying products that guarantee status and improve self-image. That is, consumption is used as a tool to enhance public image. As materialistic people value possessions, Belk (1985) found that they tend to buy more luxury products. People in countries that allow high levels of transformational advertising (involving symbols of social status and wealth), are according to Larsen et al. (1999) likely to be more materialistic. Eastern Asian consumers' attraction to products like Chanel, Gucci and Louis Vuitton indicate that they may be more materialistic than their Western counterparts (Wong & Ahuvia, 1995). Coming to Kerala, emigration has played a very positive role in bringing about a broader distribution of income and wealth in the society as also facilitating social mobility and fostering an emulation tendency among the Keralite community (Pushpangadan, 2003). This tendency to emulate 'significant others' is an antecedent to conspicuous consumption (Marcoux *et al.*, 1997).

Based on these observations, the following set of hypotheses regarding the relationship between materialism and conspicuous consumption tendencies among emigrant Keralites is examined:

H_{1a}: Materialism defined as Possession-defined success has a positive influence on emigrant Keralites Conspicuous consumption tendencies.

H_{1b}: Materialism defined as Acquisition centrality has a positive influence on emigrant Keralites conspicuous consumption tendencies.

H_{1c}: Materialism defined as Pursuit of happiness has a positive influence on emigrant Keralites conspicuous consumption tendencies.

3.4. Susceptibility to Interpersonal Influence

Bearden et al. (1989) define susceptibility to interpersonal influence as: 'the sensitivity to others' opinions'. The construct is defined as the need to identify with or enhance one's image in the opinion of significant others through the acquisition and use of products, the willingness to conform to the expectations of others in making buying decisions, and the tendency to learn about products and brands by observing others or seeking information from them. The concept of susceptibility to interpersonal influence implies the force exerted on an

individual's choices by proximal relationships. Collectivistic cultures seen in Asian countries emphasize conformity to group norms as a way of gaining social acceptance (Zhou and Hui, 2003). It is an integral part of societies high on collectivism, where the values of interdependence and conformity leave consumers concerned about the opinions of reference group members (Mourali *et al.*, 2005). Moutinho (1987) defines reference group as persons who act as points of reference and are influential in shaping individual's attitudes, choices and beliefs. Some examples of reference groups include family, peers, work colleagues, friends, religious and ethnic groups, social and leisure groups, teachers, and public figures (Childers and Rao, 1992).

Susceptibility to interpersonal influence has two dimensions: susceptibility to informational influence and susceptibility to normative influence. The former refers to the tendency to view information obtained from others as indicative of reality (take cues about expected norms from others) while the latter refers to the tendency to conform to the expectations of group members (Clark and Goldsmith, 2006) either to obtain rewards, avoid punishment or simply enhance social standing. While characteristics of reference groups such as appearance and social status are the major determinants of normative influence, the major determinants of informational influence include message content, source credibility and trustworthiness (Grimm *et al.*, 1999).

3.5. Susceptibility to Interpersonal Influence and Conspicuous Consumption

Consumer behavior is shaped not only by an individual's personality, but also by the social norms and beliefs engraved in his culture. Duesenberry (1949) contended that an individual is less concerned about absolute level of consumption than he is by relative levels of consumption. Consumption for symbolic meanings may arise from interpersonal contexts. Prior research has attempted to explain conspicuous consumption from the perspective of materialism, indicating that consumers' desire for material possessions is driven by their desire for a comfortable life to the extent individual incomes allowed (Prendergast & Wong, 2003). However, materialism can hardly explain why several Asian consumers like the Chinese have such robust demand for luxury products, cutting across income level and social class (Wong & Ahuvia, 1998). Hayakawa (2000) found empirically that people with equal or higher status have an effect on one's consumptive behavior. A study by Zheng (1992) points out that the pressure to belong to and fit into the elite group drives conspicuous

consumption behavior among Asians. This means if the in-group views expensive and ostentatious possessions as socially appropriate, then its members must subscribe to such public display in order to fit in with the group. Conceptually this means that certain status products and brands are used for image portrayal to provide entry into certain groups. Conspicuousness is essential if consumers want to gain recognition, approval or acceptance from their reference groups. The conspicuousness of a product allows reference group members to view the product and provide their approval or disapproval. Consuming conspicuously cannot be achieved without the presence of 'others', in the sense that signaling wealth, public demonstration and communicating affluence to others imply that 'others' must observe (O'Çass and McEwen,2004).

Childers and Rao (1992) found that consumers are more influenced by peers in cultures where extended family structures exist. Cultural values influence the pursuit of symbolic meanings in consumption such that individuals from collectivistic cultures are more conscious about visible consumption than are those from individualistic cultures. Indians are found to possess conformist values. This means that Indian consumers want to signal their class and affluence without being unique but by conforming to their social class for luxury purchases. Such behaviour of Indians which involves the ostentatious display of wealth and simultaneously not wanting to be unique may be explained in terms of the two dominant Indian cultural dimensions of high power distance and collectivism. While status consumption among individualistic communities (like the British) is independent of occasions, it is highly dependent in the case of Indian consumers. This difference highlights the cultural disparity between individualistic and collectivist cultures (Shukla, 2010). The British consumers, who belong to individualistic culture, focus on their actual self-concept (how the consumer views himself/herself). However, in comparison, the Indian consumers from a collectivist culture, focus on others self-concept (how a consumer thinks others see him/her). Susceptibility to Interpersonal influence and ostentatious behavior is high among those belonging to collectivist cultures (Chen, 2002). An Indian is defined not just by his or her own character and accomplishments, but also by his circle of acquaintances and friends- how many important people he knows and the status and respect accorded to him by his social group. Mines (1994), in a study of a South India community, shows that men often describe themselves to a stranger not simply by providing information about who they are and what they do, but by listing all their prominent acquaintances in the process. Consumers vary in the extent to which they rely on interpersonal sources of information. Clark, Zboja, and Goldsmith (2007)

found that the more consumers seek status through consumption, the more likely they are to conform to group norms, to heed the opinions of others, and to compare themselves with other consumers.

Based on the literature review, the following set of hypotheses regarding the relationship between susceptibility to interpersonal influence and conspicuous consumption tendencies among emigrant Keralites is examined:

H_{2a}: Susceptibility to Normative reference group influence is positively related to emigrants Conspicuous consumption tendencies.

H_{2b}: Susceptibility to Informational reference group influence is positively related to emigrants conspicuous consumption tendencies.

3.6. Conspicuous Consumption and Demographic Variables

In a study of Kuwaiti residents by Riquelme *et al* (2011), materialism is the variable with the highest impact in predicting conspicuous consumption followed by susceptibility to social influence. Literature has suggested that men are more materialistic than women as posited by Eastman *et al.* (1997), Churchill and Moschis (1979). This is further validated by Browne and Kaldenberg (1997) who posit that men may be more likely to feel that owning material goods increases their happiness. Robert and Clement (2007) found that male respondents were more likely than female respondents to equate acquisition of material possessions with happiness. O’Cass and McEwen (2004) found that young men place more importance than women on the conspicuousness of product use. These findings were also supported by Tse *et al.* (1989) who found that men are more materialistic and have a stronger orientation towards external validation as shown through visually portraying accomplishment and prestige by means of material goods. However, a study by Penman and McNeill (2008) did not record any explicit differences between the responses of males and females with regard to conspicuous consumption, with both groups exhibiting similar motivations for such consumption and seemingly both enduring identical pressures to consume. Based on this literature, the following hypothesis regarding the relationship between conspicuous consumption with respect to gender is proposed:

H_{3a}: There is a significant difference in conspicuous consumption tendency based on gender.

Previous research related to conspicuous consumption and age reveals that

there is little difference in conspicuous consumption tendencies based on age, with middle-aged consumers spending more on housing, cars and other large conspicuous purchases whereas younger consumers will look to spend conspicuous dollars on clothes and mobile phones. Conspicuous consumption was evident in all age groups in one form or the other (Spero and Stone, 2004). Therefore the following hypothesis is proposed:

H_{3b}: There is no difference in conspicuous consumption levels across age groups.

Research suggests that globalization and increase in income levels have an impact on materialism and consumption values. Societies tend to grow materialistic as they progress and become economically well off. (Chan & Joseph, 2000; Goldsmith & Clark, 2012). Research on Indian consumers' preference for luxury products indicate that affluent consumers are increasingly influenced by materialistic values (Handa & Khare, 2013). As levels of affluence rise, so does consumer willingness to spend money on products that satisfy symbolic and sensory needs (Roth 1995). Since, conspicuous consumption is a form of symbolic consumption, it is likely to be more predominant at higher income levels. Based on these studies, the following set of hypotheses regarding the relationship between conspicuous consumption tendency based on income levels of emigrant Keralites is examined:

H_{3c}: There is a significant difference in conspicuous consumption tendencies across income groups.

Dogan and Torlak (2014) found that the respondents' status consumption tendencies differed with respect to gender, age, religion, education, marital status and monthly income.

H_{3d}: There is a significant difference in conspicuous consumption tendencies based on emigrants' religion.

H_{3e}: There is a significant difference in conspicuous consumption tendencies based on occupation of emigrant.

H_{3f}: There is a significant difference in conspicuous consumption tendencies based on marital status of emigrant.

4. Methodology

4.1. Measurement Instrument

This study utilized survey data which was collected using a pre-tested survey

instrument with existing scales found in the literature. Three scales adapted from different studies were used in the research process. All responses were taken on a 5-point Likert scale, with 5 indicating *strongly agree* and 1 indicating *strongly disagree*. A 15 item Scale developed by Richins (2004) was used to measure materialism construct. It included items to measure acquisition centrality, the role of possessions in the pursuit of happiness, and the role of possessions in defining success. This particular scale was chosen because it has been used in literature with a high degree of reliability, convergent validity and discriminant validity (Ahuvia and Wong, 2002). A 13 item two-factor SUSCEP scale developed by Bearden *et.al* (1989) was used to measure *Susceptibility to Interpersonal Influence*. It included items to measure susceptibility to normative influence and informational influence. The scale used to measure conspicuous consumption was adopted from Chung and Fischer (2001). The Chung and Fischer scale was recently utilized with high reliability and validity measures among U.S consumers in a study by Podoshen *et al.* (2011).

4.2. Sample and Data Collection

The objective of the study is to examine factors influencing conspicuous consumption among emigrants from Kerala. Certain assumptions have been made in choosing the sample in order to facilitate this objective. According to a study on Indian Americans by Gupta (2009), factors such as household income of expatriate, family size, number of dependents in India, family ties in India, plans to relocate to India and transaction costs of remittances are found to impact remittance behavior. Remittances are seen to be heavily dependent on the number of dependents for the emigrant in the home country (Markova and Reilly, 2006). So it can be said that emigrants with dependents in the home country indirectly facilitate conspicuous consumption by way of foreign remittance. In this study, it has been assumed that emigrants who have dependent families in Kerala are more likely to visit the state regularly compared to emigrants with fewer family ties in the state. Only emigrants who visit Kerala regularly are likely to make discretionary purchases here and thereby directly facilitate conspicuous consumption. This logic is used to justify the choice of emigrants with dependent families in Kerala as the sample.

In lieu of this logic, the 'emigrant' is defined as an individual from Kerala who has been residing abroad for a minimum period of one year and continues to financially support his/her family members in Kerala. The respondent in the

survey is an earning member/provider for the emigrant household who has been residing abroad for at least a year (at the time of the study) and remains the key influencer in the family's household purchase decisions in Kerala.

A self-administered questionnaire was used to collect data from 640 emigrant Keralites. Due to constraints in accessing the sample, respondents were chosen by way of purposive sampling from six districts in Kerala namely Kannur, Trichur, Ernakulam, Kottayam, Kollam and Thiruvananthapuram. As per Kerala Migration Survey 2014, these are among the top districts in the state with reference to size of remittances. Purposive sampling is where the researcher decides on the purpose that the respondents must serve and then pursues respondents who fulfill the purpose (Bernard, 1994). Although purposive sampling may introduce some bias to the study and limit the external validity, due to the personal nature of the questions in this survey and the screening criteria for respondents, a random sample would be unlikely to generate a sufficient number of willing respondents from across Kerala to enable a valid conclusion to be drawn.

5. Results

5.1. Test of Reliability

The reliability of the scale items was determined by means of Cronbach's Alpha coefficient. (See **Table 1**). Scale reliability was found to be within acceptable levels for all scales suggesting that all the dimensions are internally consistent.

Table 1: Table Showing Reliability Measures for Scale Items

Construct Tested for Reliability	No. of Items	Cronbach's Alpha
Susceptibility to Normative Influence Score	9	0.949
Susceptibility to Normative Influence Score	4	0.966
Materialism defined as Success	5	0.943
Materialism defined as Acquisition Centrality	5	0.924
Materialism defined as Pursuit of Happiness	5	0.911
Conspicuous Consumption Score	5	0.935

Source: Survey data.

5.2. Detailing of Respondent Demographic Variables

Respondents between age groups of 22 and 60 who are employed have been chosen for the study. The mean age of all respondents is 35.85 with a standard deviation of 6.487 and skewness 0.647. In terms of gender breakdown, 59.5% are men and 40.5% are women. All demographic variables have been represented in **Table 2**.

Table 2: Demographic Description of Respondents

Variable	Item	Frequency	Percentage
Gender	Male	381	59.5
	Female	259	40.5
Marital status	Married	586	91.6
	Single	54	8.4
Monthly Household Income	<INR 50000	76	11.9
	INR 50,001-1,00,000	102	15.9
	INR 1,00,001-3,00,000	233	36.4
	INR 3,00,001-5,00,000	130	20.3
	>INR 5,00,000	99	15.5
Religion	Christian	234	36.6
	Hindu	210	32.8
	Muslim	196	30.6
Occupation	Salaried	547	85.5
	Self employed	93	14.5
Age distribution	Mean: 35.85, SD:6.487, Range:38, Minimum:22,Maximum:60		

Source: Survey data.

5.3. Test of Dependency of Conspicuous Consumption on Materialism and Susceptibility to Interpersonal Influence

Both materialism and susceptibility to interpersonal influence has a significant influence on consumers' conspicuous consumption tendency. The Pearson correlation between the scores on the materialism scale and the SUSCEP scale with those on the Conspicuous consumption scale is found to be statistically significant at 5% significance level (see **Table 3**). Path analysis was performed using AMOS 19 to test whether the three sub-dimensions of materialism and the two sub-dimensions of the SUSCEP scale influence conspicuous consumption (see **Figure 1** below). The path in the model between all three sub-dimensions

of materialism (namely success, acquisition and happiness) and the two sub-dimensions of SUSCEP scale (namely informational and normative influence) leading to conspicuous consumption are all positive. Conspicuous consumption is seen to be significantly influenced by two materialism variables and hypothesis H_{1a} and H_{1b} stand accepted. The path coefficient for the third sub-dimension of materialism (namely materialism as Pursuit of Happiness) is not found to be significant (p value = 0.488). Hence H_{1c} is rejected. Possession-defined Success was the most relevant dimension of materialism associated with conspicuous consumption among the emigrant community with Standardised Regression Weight of 0.201 followed by Acquisition Centrality with Regression Weight of 0.146 (See **Table 4**). This supports earlier postulates that the focus on continuously increasing the value of personal possessions is tied to achieving a perceived higher status in society (Podoshen and Andrzejewski,2012). As for the sub-dimensions of the SUSCEP scale measuring interpersonal influence, both Normative influence and Informational influence are seen to significantly influence conspicuous consumption tendencies among emigrants with Standardised regression weights of 0.530 and 0.188 respectively. Hence H_{2a} and H_{2b} are accepted.

Fig. 1: Path Analysis Showing Model for Conspicuous Consumption

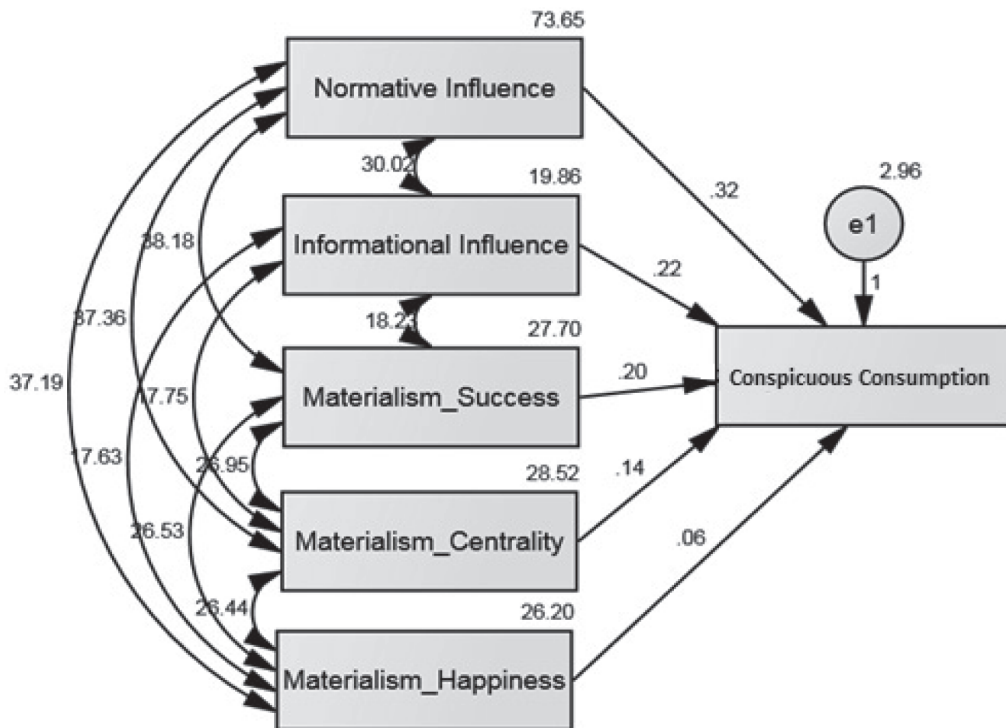


Table 3: Table Showing Correlation Between Conspicuous Consumption and Other Independent Variables

Predictor Variable	Correlation coefficient	Significance	Decision
Materialism as Possession defined Success	0.875	0.000*	H1a supported
Materialism as Acquisition Centrality	0.852	0.000*	H1b supported
Materialism as Pursuit of Happiness	0.872	0.000*	H1c supported
Susceptibility to Normative Influence	0.915	0.000*	H2a supported
Susceptibility to Informational Influence	0.822	0.000*	H2b supported

*Denotes significance at ($P < 0.05$).

Table 4: Table Showing Regression Weights for Conspicuous Consumption Model

Predictor variable	Regression Coefficient	Standardized Regression Weight	P value	Decision
Possession- defined Success	0.20	0.201	0.011	Significant
Acquisition Centrality	0.14	0.146	0.006	Significant
Pursuit of Happiness	0.06	0.061	0.488	Not significant
Susceptibility to Normative Influence	0.32	0.530	***	Significant
Susceptibility to Informational Influence	0.22	0.188	***	Significant

***Denotes significance at ($P < 0.001$).

5.4. Test of Difference in Means Between Groups (ANOVA and t-test)

Preliminary tests in SPSS version 21 were performed to examine the influence of demographic variables such as gender, age, household income, religion, occupation. Conspicuous consumption is significantly different for gender groups with males being more prone to conspicuous consumption than females (See **Table 5**). Analysis of variance tests were run to compare conspicuous consumption scores for emigrants from different income groups. The difference in means was found to be significant for the variable 'income' (See **Table 5**). Looking at the means, it can be inferred that the respondents in the higher income

brackets contributed most to this difference with conspicuous consumption seen to be higher for higher income groups. ANOVA was used to check for difference in means for different age groups, occupations and religions. Apart from religion, occupation and marital status, the analysis did not find any significant difference in conspicuous consumption levels against any of the other demographic variables (See **Table 5**). For the sample studied, Conspicuous consumption is more prevalent among Muslims followed by Christians. Similarly self-employed individuals are seen to be more prone to conspicuous consumption than their salaried counterparts. Surprisingly, conspicuous consumption tendencies are seen to be significantly higher among singles than married individuals.

Table 5: Table Showing Difference in Conspicuous Consumption Levels Based on Various Demographic Indicators

Dependent variable	Independent variable	Categories	Mean	F-value	P value
Conspicuous consumption	Gender	Male	17.01	16.457	0.000*
		Female	12.54		
	Income	<50000	13.46	14.489	0.000*
		500000-1,00,000	12.48		
		1,00,001-3,00,000	15.82		
		3,00,001-5,00,000	16.65		
		>5,00,000	15.98		
	Religion	Christian	15.72	82.200	0.000*
		Hindu	12.12		
		Muslim	17.87		
	Occupation	Salaried	15.19	5.422	0.020*
		Self-employed	15.20		
	Marital status	Married	15.08	7.498	0.006*
		Single	16.48		
	Age		0.371	0.774	

*Denotes significance at ($P < 0.05$).

6. Discussion and Implications

As the study used expatriates as respondents, its results also confirm earlier findings by *Batra et al.* (2000) that there is an established link between exposure

Table 6: Summary of Results from Hypothesis Testing

Dependent Variable	Independent Variable	Hypothesis
Conspicuous Consumption	Materialism (Success)	H1a Supported
	Materialism (Centrality)	H1b Supported
	Materialism (Happiness)	H1c not Supported
	Susceptibility to Normative Influence	H2a Supported
	Susceptibility to Informational Influence	H2b Supported
	Gender	H3a Supported
	Age	H3b Supported
	Income	H3c Supported
	Religion	H3d Supported
	Occupation	H3e Supported
	Marital Status	H3f Supported

Source: Survey data.

to global standards and conspicuous consumption tendencies. In a study examining the relationship between status orientation and constructs such as materialism and interdependent self by Tambyah *et al.* (2009), it was established that people with high materialistic drives and dominant interdependent attitudes show a strong desire for status products.

The results reaffirm earlier empirical findings of Tatzel (2002) that postulate a positive relationship between materialism and conspicuous consumption. The influence is seen to be significant for the ‘success’ and ‘centrality’ dimensions. This maybe because people with strong materialistic values are typically most concerned with appearing successful to others and protecting their self-image (Kasser, 2002). Therefore these individuals tend to value items that are consumed publicly and possess public meaning (ie. the ability to convey status or success) rather than personal or subjective meaning (Richins and Floyd, 1994; Kim, 1998). The influence of susceptibility to interpersonal influence on conspicuous consumption is significantly high and is in line with studies by Marcoux *et al.* (1997) highlighting the importance of reference group influence on the relationship between status consumption and conspicuous consumption, as both appear to be impacted by individual’s proneness to interpersonal influence. The result also supports James Duesenberry’s (1949) theory that an individual’s utility from consumption depends not only on the absolute level of spending, but also how that spending compares to that of others. This is called the “relative income” approach, and is popularly known as the process of “keeping up with the

Joneses". In Duesenberry's formulation, consumers are exposed (through "demonstration effects") to the consumption patterns of those in their reference groups, and seek to replicate those patterns.

Overall, there is no consistent pattern in the relationship between demographic variables and conspicuous consumption tendency. The tendency to conspicuously consume, while being significantly influenced by income levels, is also found to be influenced by gender, with males showing greater proneness to ostentatious display of wealth in line with findings of O'Cass and McEwen (2004). Females' greater interest in people and males' interest in objects (Larsen et al., 1999) could be a reason. This may also be a fall-out of the societal pressures linking a man's wealth to his position within a status system. The positive association with income is relevant because as resources increase, so does consumer willingness to spend money on products that satisfy symbolic and sensory needs (Roth, 1995). As things stand, conspicuous consumption is a form of symbolic consumption.

Understanding the set of institutional and structural variables that underlie consumption behavior is important for marketing managers, public policy makers and greater society. This study is of interest to retailers pursuing continuous patronage from materialists as well as for consumer interest groups and policy makers interested in the causes and consequences of materialism. Globalization has brought significant changes in peoples' lifestyles. Foray into international brands and services has redefined the aspirations of Indians. In societies where money conveys prestige and position, such lifestyle may lead to irresponsible spending (Abdulla, 2014). Kerala is rightly known as a consumerist state. Emigration has fuelled increase in disposable income at household levels. This, along with global exposure through migration, has led to conspicuous consumption culture taking place in Kerala as other avenues for investment do not exist here (Zachariah and Rajan, 2015). Keralites have begun to use products to hide their insecurities and failures and are willing to incur financial risk to acquire high-priced brands. Marketers need to understand the social implications of encouraging consumers to purchase products on credit. Marketers may look toward the consumer mortgage and credit industries in the USA to see how the encouragement of overspending and a focus on conspicuous consumption helped spark a collapse of not only the lives of the consumers they serviced but also the firms themselves, and triggered the global crisis in 2008. By reinforcing these behaviors in the Indian context, marketing managers might end up indirectly harming sustainable consumption practices.

A counter perspective is that the high levels of consumption brought about by materialist cultures can increase not only businesses' profits, but can generate

capital for research and development. Greater research and development can in turn lead to higher productivity, technological breakthroughs and higher living standards for all (Richins & Rudmin, 1994). As observed by Zachariah and Rajan (2015), emigration and emigrant remittances continue to sustain much of the Kerala economy. The fact that respondents' conspicuous consumption differed with respect to gender, monthly income and religion has a significant implication for marketing professionals in the process of targeting this lucrative emigrant community and positioning themselves well. Marketers can use the psychographic dimensions tested in this research to identify and segment status seekers. It may also be wise for luxury brands to project a high-status image as positioning strategy when targeting Kerala's expatriate consumers. By focusing on the prestige-value of brands, rather than simply on its utilitarian functions, it is possible to create a need within this community.

Goldsmith (2012) found that youngsters who were materialistic tended to shop more, have more knowledge about products and services and are most responsive to advertising and promotional efforts. The materialists could turn into early adopters, trendsetters, and opinion leaders among their peers. These findings can aid marketers and advertisers to appeal to materialistic shoppers.

This research adds to understanding how two types of reference group influences drive consumption patterns. Therefore, this study provides marketers with a framework which they can use when manipulating reference group influence in their promotional appeals. Knowing susceptibility to interpersonal influence is a strong predictor of conspicuous consumption could aid marketers in choosing spokespersons and reference groups in advertising and promotional campaigns directed at status-conscious consumers. The promotional message chosen could emphasize the product's normative function (value expressive, utilitarian, or combination). A value-expressive message operates by helping consumers identify with their preferred group. For example, for status-seeking emigrant consumers with a strong need to fit-in, marketers could use conformity messages from a normative source, such as a popular celebrity.

7. Limitations and Future Directions

A significant limitation of this study is that these constructs have been studied in the context of Kerala only. Therefore it cannot be assumed that these results carry over to consumers of other natives. As Podoshen *et al.* (2011) have demonstrated, materialism and conspicuous consumption may be very different across nationalities and culture. Purposive sampling was used and it may not be representative of the expatriate population at large. The data for this study was

obtained from emigrants only from chosen districts in Kerala. Value systems and consumer lifestyles may be different in other parts of the state and future researchers may wish to examine conspicuous consumption and its related constructs in other geographic contexts. Future research can factor in the influence of other geographic and demographic variables like country of expats current residence and family size. It would be beneficial to complete the conspicuous consumption model by testing other personality traits and social influences apart from materialism and interpersonal influence alone (For example: the influence of media exposure, self-monitoring trait, collectivism, concept of face in individuals etc) However, it is hoped that this study acts as a springboard for future examinations of socio-psychological antecedents of conspicuous consumption.

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