



Exploring the Inter-play between the Decorative Consumption Dimensions: A deep dive into Conspicuousness and Snobbism through cases of Wristwatches and Houses

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ABSTRACT

Laden by the hope of being superior to others, the modern-day man engages in lavish consumption patterns choosing 'class over mass' through procurement of expensive goods and services. This robust urge to mark one's stature in the society provokes common populace to quest for ostentatious ownership of goods and services by engaging in consumption of high-priced articles rooted upon the exhibitionist nature, defined as Decorative Consumption. This paper explores the inter-dependence between two dimensions of such consumption, namely, Conspicuousness and Snobbism, borrowing data from a previous study conducted by the authors. Since, existing literature fails to provide a lucid inference on the inter-effect between Conspicuousness and Snobbism, this paper aims at filling the research gaps, considering the cases of wristwatches and houses. The results of the study reveal that, consumption desires, which are Snobbish, are necessarily Conspicuous, with regard to the cases of wristwatches and houses. However, with regard to wristwatches, there could be consumption desires which are Conspicuous, yet, not Snobbish. In contrary, when considering houses, the findings suggest that the conspicuous demand is likely to be Snobbish. This is a possible indication of product-specific pattern; the causes for which warrant further research. Finally, the findings of this paper not only contribute towards enriching theoretical and philosophical underpinnings of the interdependence between decorative consumption dimensions but also suggest possible implications on public policy making.

Keywords: Conspicuousness; Decorative Consumption; Houses; Snobbism; Wristwatches.

JEL codes: C72, D69, D83, D110, D120.

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1. Introduction

Today, the consumption of goods and services is driven by symbolic realm, signifying consumer's urge to exhibit his or her stature in the society. The underpinning reason behind such

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consumption is rooted by consumer's intuitive and motive to showcase. In such cases, the purchasing decision of goods does not merely resemble the functional value³ of the good but rather, the non-functional value⁴. Furthermore, past literature suggests that, the utility perceived from a good does not depend only on good's use value, but varies depending on others' consumption of the same good or depending on whether it carries a higher price tag rather than a lower (Leibenstein, 1950; Riivits-Arkonsuo & Leppiman, 2015; Banahene, 2017)

With that notion stems up the diction of Decorative Consumption⁵ coined by (Karunanayake & Gunaruwan, 2017a), which signifies the consumption driven by the 'exhibitionist desire' of the consumer who consumes expensive goods, not merely for the use value⁶ but also, for the symbolic value of the good. Three different roots behind the urge to exhibit are (a) Conspicuousness, signifying purchase of expensive things to showcase one's wealth, defined in literature as "Veblen Effect", (b) Conformism, defined as "Bandwagon Effect", reflecting the urge to buy expensive things for being recognized among peers and (c) Snobbism, or purchasing goods to be exclusive over and above the others, defined in literature as "Snob Effect" (Leibenstein, 1950).

In the field of consumer behavior, the inter-effect between the Conspicuousness and Snobbism is a hardly explored construct and thus, warrants further attention. For instance, according to prevailing studies, on the one hand, some researchers assert that "Snobbish" consumers would necessarily be "Conspicuous" (Chaudhur & Majumdar, 2006; Potluri et al., 2014; Kim, 2015), while some others exemplify that "Conspicuousness" would necessarily imply "Snobbism" (Perera, Mudalige & Patabandige, 2013). Thus, literature is not conclusive enough regarding the inter-dependence between Snobbism and Conspicuousness; two important dimensions of decorative consumption.

In the light of the above, the present study aimed to examine whether there exists any interdependence among two of the aforementioned dimensions of decorative consumption, namely Conspicuousness and Snobbism. It departs from the outcomes of a study previously conducted by the authors on the socio-demographic antecedents of "exhibitionist nature" employing the two cases of wristwatches and houses (Karunanayake & Gunaruwan, 2018) and provides empirical support for better understanding and improving existing theoretical comprehension in the subject domain, thereby attempting to bridge the knowledge gap in existing literature.

The study obtained required data, from a survey conducted by the authors in a previous study (Karunanayake & Gunaruwan, 2017b) and hypotheses were constructed to test the inter-dependence between the two aspects; Conspicuousness and Snobbism. The two hypothesis were examined based on a Decorative Consumption Index (Karunanayake & Gunaruwan, 2018) after an improvisation. The data was analyzed using SPSS.

The next sections of the paper include a literature review where prevailing studies conducted on this construct and empirical hypotheses are discussed, the methodology of the study where methods and material used for the study are explained in detail, results and discussion and finally the conclusion and policy implications derived from the present study.

2. Literature review

There is a whole body of literature addressing the transformation of consumption towards symbolic realm. The phenomena 'Conspicuousness' and 'Snobbism' have been employed as tools in explicating the consumption perceptions and motives of common populace since its inception up to date (Wu et al., 2019; Goenka & Thomas, 2019; Murphy, 2018; Bezzaouia & Joanta, 2016; Chaudhur & Majumdar, 2006; Navon, Shy, & Thisse, 1995; Braun & Wickland, 1989)

The term Conspicuousness, as voiced by its begetter Veblen (1899, p.33), is "the consumption of choice of articles/goods as an evidence of wealth". He further theorizes that, "indulgence in such

³The value which is generated due to the qualities inherent in the commodity or in other terms due to the functionality of the commodity which could also be defined as *Use Value*.

⁴Non functional value or Non-use value implies the value caused by external effects on utility, rooted by nonfunctional demand - that portion of demand for a good which is due to factors other than the inherent qualities of the good/service (Leibenstein, 1950, p.189)

⁵Decorative Consumption' is the "exhibitionist nature" common to Conspicuous, snob and bandwagon effects for expensive purchase of goods and services. Decorativeness can be uni- dimensional, bi-dimensional or tri-dimensional based on the association of three dimensions: Conspicuousness, Snobbism and conformism (Karunanayake & Gunaruwan, 2017b)

⁶Satisfaction derived from the inherent characteristics

consumption patterns takes place in order to unroll one's pecuniary strength". Thus, it can be rationalized that Conspicuousness is necessarily related to high price and, is an illustration of wealth. Moreover, many researchers interpret 'Conspicuous consumption' as ostentation of wealth with symbolic items to gain recognition or status (Jain & Sharma, 2018; Topçu, 2016; Kastanakis & Balabanis, 2014; Chen, Yeh, & Wang, 2008) while some others perceive it as showcasing of one's high self-concept and prestige (Rucker & Galinsky, 2009; Sirgy, 1982). Furthermore, many economists, including Bagwell & Bernheim (1996) and Campbell (1995), have utilized the term "Veblen effect" and "Veblenesque Behavior" to explain Conspicuousness, where consumption is pursued depending on their higher price, despite of being able to purchase low priced substitutes, in an attempt to showcase their monetary strength. Thus, as proclaimed in past extensive studies, Conspicuousness is buying of expensive goods and services for felicitous illustration of wealth while showcasing how rich a person is.

The term Snobbism was predominantly coined by Leibenstein in early 1950's where he defined it as "the desire of people to be exclusive, to be different, and to dissociate themselves from the common herd (Leibenstein, 1950)⁷. However, many researchers have failed to make the aforementioned distinction, and have combined the "Snob Effect" with higher price. As revealed in the past extensive studies conducted on Snobbism, it can be asserted that people who are preoccupied with social status reject products that are perceived to be possessed by the common populace (Potluri et al., 2014), thereby purchasing expensive products which are exclusive and have limited availability (Elliot, 1994; Perera, Mudalige, & Patabandige, 2013). According to Vigneron & Johnson (1999), "snob consumers see the price as an indicator of privilege and avoid using popular brands in order to have an inner-directed consumption experience". Thus, Snobbish consumers remain at being the only consumer of a product. As asserted by Elliot (1994) and Friese & Koenig (1993), for a snob individual, consumption means buying expensive goods in order to fill the deficiency of richness and status. Thus, in this buying process, snob individuals think that they would appear "richer" by spending more money. Moreover, according to Aronson & Linder (1965) and Wright & Contrada (1986), as cited in Uzgoren & Guney (2012, p.633), "individuals who could respond to this kind of effect are defined as extremely selective people who prefer goods which are hard to buy, rather than conventional style individuals". In that notion, it can thereby be exemplified that, Snobbism is buying of expensive goods and services for exclusiveness or to showcase one's uniqueness. While a majority of prevailing studies assert that both; Conspicuousness and Snobbism are associated with high price, Liebenstein in his study affirms that, the former involves felicitous illustration of wealth while, the latter involves felicitous illustration of uniqueness.

As asserted by Kim (2015), Snobbism is an "incentive" for Conspicuousness that triggers the desire to be identified with the rich. Similarly, Chaudhuri and Majumdar (2006) claim that exclusiveness is an antecedent of Conspicuous Consumption. Corneo and Jeanne (1997) point out Snobbism as a signal of status, further acclaiming it as a signal of Conspicuous consumption. Furthermore, as revealed in the study conducted by Kastanakis & Balabanis (2014), people buy conspicuous products as a need for uniqueness, or in other words, with the desire to be exclusive. These literature leads to hypothesize that snobbish consumers are conspicuous.

However, in the contrary, Perera, Mudalige and Patabandige (2013), demonstrate the possibility of reverse relationship⁸. According to their study, people who are conspicuously motivated prefer to be "unique and exclusive" among the rest. Similarly, Page (1992) asserts that, "the nouveau riche has engaged in exhibiting wealth to gain invidious distinction over the aristocratic elite". Thus, according to aforementioned studies, snob effect would be a result of Conspicuousness, leading to hypothesize that "Conspicuousness" would necessarily imply "Snobbism".

However, there is no sufficient evidence in past literature to claim the interdependence of the two concepts as to which leads to what and as such, a clear picture on the inter-effect between the two dimensions cannot be visualized.

Since existing literature fails to provide a lucid inference on the inter-effect between Conspicuousness and Snobbism, this paper attempts to examine whether there is inter-dependence

⁷Liebenstein (1950) in his work states that, his definition of Snobbism is not necessarily the "correct" one but, it was utilized to ease the analysis (p.189)

⁸Conspicuousness would influence Snobbism

between the two fundamental dimensions of decorative consumption; Conspicuousness and Snobbism with respect to the cases of wristwatches and houses.

In that respect, authors developed two hypotheses to be tested.

3. Methodology

A deep examination of the interrelationship between the two dimensions of decorative consumption, namely, Conspicuousness and Snobbism, was aimed through the present study conducted among the employees in Colombo city limits. The cases of wristwatches and houses were chosen for this analysis. The choice was intentional as the possibility of the tested interrelation being “product type-dependent” could not be excluded and, any such different patterns could thereby be revealed. Further to that, the former resembles portable items which are worn on a daily basis such as an apparatus whilst, the latter represents immobile fixed assets constituting relatively a larger investment. Moreover, both goods are being utilized as positional goods to showcase wealth and exclusiveness, over and above their functional characteristics as a time keeping device (with regard to wristwatches) and a shelter for habitation (with regard to houses).

Thus, following Hypotheses were examined:

Test 1:

H₀: Snobbish consumers are necessarily Conspicuous

H₁: Snobbish consumers are not necessarily Conspicuous

Test 2:

H₀: Conspicuous consumers are necessarily Snobbish

H₁: Conspicuous consumers are not necessarily Snobbish

The data required for the study were borrowed from the exploratory online survey constituting statements with regard to Snobbism and Conspicuousness over a sample of 250 office employees in Colombo (Karunanayake & Gunaruwan, 2017b) in which, snow-ball sampling technique had been adopted to gather responses, permitting greater consistency in analysis and comparison (Lewis & Moital, 2016) it allows greater consistency when analyzing and comparing data.

Decorativeness Index (DCI), developed by the authors (Karunanayake & Gunaruwan, 2017b) was used after improving it upon to reflect the degree of decorativeness ranging from 0 and 1 ($0 \leq DCI \leq 1$) instead of ranging from 1 to 5.⁹ The modified index¹⁰ depicted below, was thereby used in testing the hypotheses constructed.

Eq. (01)

$$DCI_{ij} = \sum_{k=1}^n \frac{DCV_{jk} + (6 - ADCV_{jk})}{n_j}$$

Where: DCI_{ij} = Decorative Consumption Index for jth dimension for ith person

(j = 1,2 signifying Conspicuousness and Snobbism, respectively)

DCV_{jk} signifies Decorative Consumption value for jth dimension and kth question,

ADCV_{jk} signifies Anti-Decorative Consumption value for jth dimension and kth question and n_j = number of questions (or statements) applicable for the jth dimension.

Conspicuous Index (CI) and Snob Index (SI) were thus computed for each and every respondent, with respect to the two products. Examination of graphical illustrations (scatter plots), descriptive statistics and trend analysis using SPSS (version 20.0) were deployed as analytical techniques in examining the hypotheses.

Summarized tables of question statements adopted in the questionnaire are provided in the Appendix.

4. Analysis and results

As a first step, scatter plots between the two dimensions of decorative consumption focused in this study, namely the Conspicuousness Index (CI) and the Snob Index (SI), were examined.

⁹This was achieved by mapping the Likert scales of 1, 2, 3, 4 and 5 used in the survey on to 0, 0.25, 0.5, 0.75 and 1, respectively, over the entire data set. This improvement would generate a more meaningful index where 0 representing extreme non-decorativeness and 1 indicating extreme decorativeness.

¹⁰Decorative Index for a respondent

4.1 The case of wristwatches

Figure 1 below, depicts the relative positioning of Conspicuousness as against Snobbism with regard to Wristwatches.

It is observed in the Figure 01 that, the survey respondents pertaining to wristwatches tend to cluster within the upper segment of the scatter diagram, when they are ‘highly Snobbish’. There is a clear separation between zones where the respondents are scattered and where there are no respondents;

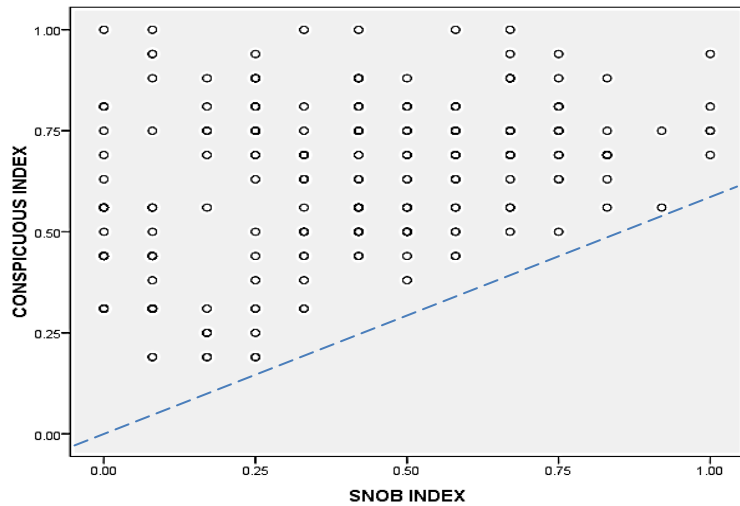


Figure 1. Interrelationship between Conspicuousness and Snobbism: The case of wristwatches. Source: Survey Results

the line of separation appears upward sloping. No respondents could

be found in the lower-right segment of the diagram, which represents high Snobbism (SI between 0.75 and 1) and low Conspicuousness (CI below 0.5). The relationship becomes obscure with regard to less Snobbish consumers (towards the left side of the Snob Index axis), whose Conspicuousness appear spreading over the entire range, from very low Conspicuous Index levels to very high levels. This brings preliminary evidence to suggest that Snobbism is necessarily associated with Conspicuousness, while no such suggestion could be made with regard to the reverse (meaning that there appear consumers who are Conspicuous, yet not Snobbish).

This observation was further tested through statistical examination of survey results. The hypotheses under the Test 1 (above) were thus examined by working out the respective means and standard deviations of Conspicuousness Index at different levels of Snob Index, and thereby estimating the probabilities of occurrence; the results are summarized in the Table 01 and Table 02.

Table 01.

Interrelationship between Conspicuousness and Snobbism - Means and Standard Deviations of Conspicuousness Index at different levels of Snob Index: The Case of Wristwatches

| Snob Index | Conspicuous Index | |
|-----------------------|-------------------|----------|
| | \bar{x} | σ |
| $0 \leq SI \leq 0.25$ | 0.54 | 0.22 |
| $0.25 < SI \leq 0.50$ | 0.64 | 0.15 |
| $0.50 < SI \leq 0.75$ | 0.72 | 0.13 |
| $0.75 < SI \leq 1.00$ | 0.73 | 0.11 |

Source: Survey Results

Table 02.

Probabilistic estimates of Conspicuousness against different groupings of Snobbism– the Case of Wristwatches.

| Conspicuousness Probability Snob Index Range | Pr (CI < 0.5) | Pr (CI > 0.5) | Pr (CI > 0.75) |
|--|---------------|---------------|----------------|
| $0.75 < SI < 1$ | 0.02 | 0.98 | 0.43 |
| $0 < SI < 0.25$ | 0.43 | 0.57 | 0.17 |

Source: Authors’ estimations¹¹

¹¹For instance, $Pr(CI > 0.5 \text{ given, } SI > 0.75) = Pr\left(\frac{CI - \bar{x}_{CI}}{s_{CI}} > \frac{0.5 - \bar{x}_{CI}}{s_{CI}}\right) = Pr\left(Z > \frac{0.50 - 0.73}{0.11}\right) = Pr(Z > -2.090) = 0.9817$

Note: Normality of the distribution was verified, as it is a prerequisite for many statistical tests and an underlying assumption in parametric testing. Since, the focused sample size was $30 \leq n < 2000$, Shapiro Wilk Test was conducted¹² (Ghasemi & Zahediasl, 2012).

The above results indicate that highly Snobbish consumers (those having $SI > 0.75$) show high probabilities of Conspicuousness (probability of $CI > 0.5$ being 0.98, and even the probability of $CI > 0.75$ is a quite substantial 0.43). At the same time, it could be observed that, a Snobbish consumer being non-conspicuous is rather improbable (Probability of CI being less than 0.5 of those with SI greater than 0.75 is a mere 0.02).

These results establish the Null Hypothesis (H_0) constructed (Test-1), enabling inference that a Snobbish person would necessarily be Conspicuous. In other terms, a person who purchases an expensive unique watch, which is not widely worn by common populace, not only exhibits his/her desire to be unusual but also showcases his or her pecuniary strength.

No such clear inference could be arrived at with regard to non-snobbish consumers; both high ($CI > 0.5$) and low ($CI < 0.5$) Conspicuousness being observed with significantly high (0.57 and 0.43, respectively) probabilities. This could be construed, as suggestive evidence to hypothesize that Conspicuousness would not necessarily cause Snobbism.

This latter hypothesis was further examined by computing mean values and standard deviations of Snob Index being high and low, respectively, corresponding to consumers having different degrees of Conspicuousness and the corresponding probabilities of occurrence. The results are summarized in the Tables 03 and 04.

Table 03.

Interrelationship between Conspicuousness and Snobbism - Means and Standard Deviations of Snob Index at different levels of Conspicuous Index: The Case of Wristwatches.

| Conspicuous Index | Snob Index | |
|-----------------------|------------|----------|
| | \bar{x} | σ |
| $0 \leq CI \leq 0.25$ | 0.17 | 0.22 |
| $0.25 < CI \leq 0.50$ | 0.23 | 0.21 |
| $0.50 < CI \leq 0.75$ | 0.46 | 0.25 |
| $0.75 < CI \leq 1.00$ | 0.43 | 0.26 |

Source: Survey Results

Table 04.

Probabilistic estimates of Snobbism against different groupings of Conspicuousness – The Case of Wristwatches.

| Probability Conspicuous Index Range | Snobbism | | |
|--|----------------|----------------|-----------------|
| | $Pr(SI < 0.5)$ | $Pr(SI > 0.5)$ | $Pr(SI > 0.75)$ |
| $0.75 < CI < 1$ | 0.61 | 0.39 | 0.11 |
| $0 < CI < 0.25$ | 0.93 | 0.07 | 0.00 |

Source: Authors' estimations

The above results indicate that there are both significantly Snobbish ($SI > 0.75$ or $SI > 0.5$) and Non-Snobbish ($SI < 0.5$) consumers among those who are highly Conspicuous ($CI > 0.75$). The probability of those highly Conspicuous consumers being Snobbish is a mere 0.39, and thus, the Null Hypothesis (H_0) of the Test-2 (to the effect that “Conspicuous consumers are necessarily Snobbish”) would have to be rejected. It is interesting, however, to observe that those weakly Conspicuous consumers show Non-Snobbism ($SI < 0.5$) with a very high level (93%) of confidence, supporting, once again, the Null

¹²SPSS Version 20.0 was deployed in order to perform Shapiro-Wilk test.

Hypothesis in the Test-I in which it is implicit that a Snobbish consumer would inevitably be Conspicuous.

The overall results pertaining to the case of wristwatches therefore appear to exemplify that employees who purchase expensive (branded wristwatches which reflect its high price) to be exclusive from the rest, unequivocally showcase their wealth. There could be many reasons for such a behavioral pattern. One such reason could be owing to the extremely high prices of unique wristwatches, which automatically enables showcasing how wealthy a person is.

However, according to the results, the inverse linkage of the two dimensions was not proven and the study brings suggestive evidence to conclude that purchasing such wristwatches to showcase one's pecuniary strength does not necessarily lead to uniqueness. Such a pattern must have been visible owing to the existence of 'other motives' engulfed in one's Conspicuous consumption decisions. For instance, the wearers might use expensive wristwatches to fall into a specific crowd in the society or to emulate their peers. Thus, as indicated by the results, it could be inferred, with regard to wristwatches, that Snobbism necessarily gives rise to Conspicuousness, even though Conspicuousness would not necessarily yield Snobbism.

4.2 The Case of Houses

With regard to houses, the scatter plot (Figure 02) depicts quite a different pattern compared to that of wristwatches.

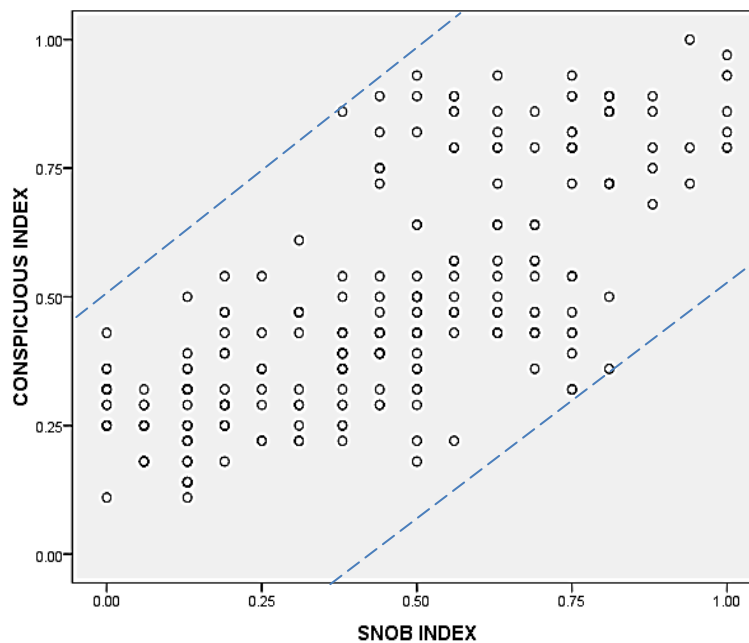


Figure 2. Interrelationship between Conspicuousness and Snobbism: The case of Houses.
Source: Survey Results

As depicted in the figure 02 above, there appears to be a “trend”, where the greater the Snobbism, the greater would be the Conspicuousness, and vice-versa. The survey respondents pertaining to houses appear exemplifying that; Snobbism is positively related to Conspicuousness. For instance, all the respondents in the lower-left segment of the diagram who are less Snobbish (SI below 0.5) are equally less Conspicuousness (CI below 0.5). Similarly, there are no respondents in the lower-right segment of the diagram where the scenario of high Snobbism (SI above 0.5) and low Conspicuousness (CI below 0.5) is represented. This brings evidence to suggest that, with regard to the case of houses, Snobbish consumers are necessarily Conspicuous and Conspicuous consumers are necessarily Snobbish.

The above findings were further investigated through statistical examination of survey results. Similar to what was done with the case of wristwatches, the hypotheses under the Test-1 (above) were examined by working out the respective means and standard deviations of Conspicuousness Index at

different levels of Snob Index (Table 05) and vice versa (Table 06); this time, deploying the case of houses.

Table 05.

Interrelationship between Conspicuousness and Snobbism - Means and Standard Deviations of Conspicuousness Index at different levels of Snob Index: The Case of Houses

| Snob Index | Conspicuous Index | |
|-----------------------|-------------------|----------|
| | \bar{x} | σ |
| $0 \leq SI \leq 0.25$ | 0.28 | 0.10 |
| $0.25 < SI \leq 0.50$ | 0.44 | 0.17 |
| $0.50 < SI \leq 0.75$ | 0.61 | 0.19 |
| $0.75 < SI \leq 1.00$ | 0.78 | 0.14 |

Source: Survey Results

Table 06.

Interrelationship between Conspicuousness and Snobbism - Means and Standard Deviations of Conspicuous Index at different levels of Snob Index: The Case of Houses

| Conspicuous Index | Snob Index | |
|-----------------------|------------|----------|
| | \bar{x} | σ |
| $0 \leq CI \leq 0.25$ | 0.16 | 0.14 |
| $0.25 < CI \leq 0.50$ | 0.37 | 0.22 |
| $0.50 < CI \leq 0.75$ | 0.61 | 0.18 |
| $0.75 < CI \leq 1.00$ | 0.74 | 0.17 |

Source: Survey Results

As per the results in the above two tables, there seems to be a quite straightforward flow between the two dimensions; Snobbism and Conspicuousness. For instance, the means and the standard deviations in the Table 5 depicts that, at lower levels of Snob index ($0 \leq SI \leq 0.25$ and $0.25 < SI \leq 0.50$), mean values with regard to Conspicuousness are also low (Mean values are below 0.5) and when the tendency of Snobbism is high, so is the tendency of Conspicuousness (When $0.50 < SI \leq 0.75$, Mean Conspicuousness = 0.61 and when $0.75 < SI \leq 1.00$, Mean Conspicuousness is 0.78). The same pattern could be seen in the Table 6. When the means of Conspicuousness range between 0 to 0.5, Snob indices are similarly low (below 0.40); whereas, when the means of Conspicuousness are high (above 0.5), the means of Snob indices are also quite high (above 0.6).

The same is established by confidence levels (Table 7) where the probability of Conspicuous Index being greater than 0.5 of consumers whose Snob Index is above 0.75 is at a very high level (0.98) and that of Conspicuous Index being greater than 0.5 of those having Snob Index below 0.25 appears to be very low (0.01), leading to the inference that there is no evidence to reject the null hypotheses under both Tests 1 and 2 with regard to Houses.

Table 07.

Probabilistic estimates of Conspicuousness against different groupings of Snobbism – The Case of Houses

| Conspicuousness Probability Snob Index Range | Pr (CI < 0.5) | Pr (CI > 0.5) | Pr (CI > 0.75) |
|--|---------------|---------------|----------------|
| 0.75 < SI < 1 | 0.02 | 0.98 | 0.58 |
| 0 < SI < 0.25 | 0.99 | 0.01 | 0.00 |

Source: Authors' Computations

Table 08. *Probabilistic estimates of Snobbism against different groupings of Conspicuousness – The Case of Houses*

| Snobbism Probability Conspicuous Index Range | Pr (SI < 0.5) | Pr (SI > 0.5) | Pr (SI > 0.75) |
|--|---------------|---------------|----------------|
| 0.75 < CI < 1 | 0.08 | 0.92 | 0.48 |
| 0 < CI < 0.25 | 0.99 | 0.01 | 0.00 |

Source: Authors' Computations

Thus, it can be asserted that, expensive houses, which are unusual, are purchased necessarily to showcase wealth. Similarly, respondents illustrate their wealth through procuring expensive houses necessarily to be exclusive from the rest. Thus, in the case of houses; the two dimensions appear to have a bi-directional relationship.

5. Conclusion & policy implications

The present paper aimed to dig deep into the interdependence of Conspicuousness and Snobbism with special focus on wristwatches and houses. The results revealed suggestive evidence to conclude that Snobbism could necessarily be associated with Conspicuousness given both the cases; wristwatches (a product which is used as a personal-ware), and houses (a fixed and immobile asset). This result could be theoretically rational: Snobbism being the desire to be “exclusive” among peers, would essentially have Conspicuousness¹³, as one needs to “showcase wealth”¹⁴ above the others or spend an extensive amount of money, for him or her to be “exclusive”. However, the reverse relationship (i.e. Conspicuous consumers being necessarily Snobbish) did not appear to be true with regard to wristwatches, even though for houses (for which a strong correlation was visible) Conspicuousness appeared associated with Snobbism, conforming to the findings of Perera, Jayasinghe-Mudalige and Patabendige (2013). Therefore, according to the study outcomes, the relationship between Snobbism and Conspicuousness appears “consumption item dependent”.

Inter-relationship between Conspicuousness and Snobbism is an interesting topic, not only at a theoretical and philosophical viewpoint, but also, as a policy relevant phenomenon. The fact that Snobbish consumers are necessarily Conspicuous, both for portable apparatus (represented by wristwatches) and immovable fixed assets (represented by houses), given that Snobbism is identifiable, could be strategically used by policy makers to achieve multiplicity of objectives. First, Conspicuous demand, driven by Snobbism, is likely to be inelastic which means that, an increase in price will not make a big impact on the change in demand as the high price will appeal status conscious Snobbish people. As evidently proven in past literature (Chen J., 2019; Amaldoss & Jain, 2005), inelasticity that exists among goods of such nature (especially among Snobbish goods) would enable the Government to use product-based taxation to augment Government revenue, without having to face demand pullback by price. Second, the Government may peruse strategic positioning of local substitutes for any

¹³Defined by Veblen (1899) as lavish expenditure to “showcase wealth”

¹⁴It is the consumption of choice of articles/goods as an evidence of wealth (Veblen, 1899, p.43)

such Snobbish consumption items, which are currently imported (through branding, image creation as with regard to local handlooms or gems); and together with import taxation, domestic goods could be improvised to suit international standards and used as means of import substitution. Third, the relative price inelasticity of Snobbish consumption would provide a platform for local enterprises to develop their production activities, possibly with future scope of exportability: it suffices that a concerted effort to strategically identify such range of products which could be assigned with “Snobbish posture”.

It might be an interesting policy query as to what would happen to Conspicuous consumers who are not Snobbish, with respect to wristwatches. While the presumed inelasticity could be present in this conduct (Pettinger, 2017), it might be worthwhile examining whether there are no limitations to the Conspicuous urge at increasing prices beyond limits, at least because of limits that may exist to one’s purchasing power. Furthermore, since it is evident by past research that, the urge to Conspicuously consume is more prevalent among low and middle-income people (Karunanayake & Gunaruwan, 2017; Bergman, 2009) import duties could be used to discourage consumption of importable Conspicuous items if such limits to inelasticity exist. Failing to do so, the danger of Conspicuous consumers, particularly low and middle-income segments, running into debt for wanting to acquire tax-pushed expensive consumables cannot be excluded. In such cases, the Government could control cheap credit sources by restricting banks to provide credit for such consumption among aforementioned income cohorts and open up concessionary credit facilities for some other investment. On the one hand, poor people not only are more inclined to take loans to finance Conspicuous purchases, but they are also more likely to remain indebted as the chances of Conspicuous goods generating income is less and their financial situation makes it difficult to pay off their loans. Therefore, any mean of encouragement towards Conspicuous consumption, especially among poor people, should be restricted so that they will not be pushed into to a debt trap. These aspects call for further research.

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APPENDIX

Table 1.

Statements used on Likert Scale to explore decorative consumption patterns and socio-demographic affiliations in the case of Wristwatches

| Veblen Effect | |
|--|--|
| Conspicuousness | Anti-Conspicuousness |
| 1. Wearing an expensive watch openly displays wealth and social status | 1. Wristwatch is only a time piece |
| 2. The consumption decision of the wristwatch is based on non-utilitarian aspects such as brand and ability to illustrate wealth | 2. Wearing a wristwatch is a headache |
| | 3. The consumption/purchase of a wrist watch is based on purchasing power, high durability and only the basic functions of the watch |
| Snob Effect | |
| Snobbism | Anti-Snobbism |
| 1. The purchasing/consuming decision of a wristwatch is based on the limited edition | 1. The purchasing/consuming decision of a wristwatch is be based on the popularity of the watch your peers |
| 2. Wearing an expensive unique watch makes you exclusive as your peers cannot afford one | 2. You prefer to wear a wristwatch which is similar to your peers/colleagues |
| 3. People wear expensive watches to be unique among the rest | 3. You are attracted to common expensive watches |
| Bandwagon Effect | |
| Conformism | Anti-Conformism |
| 1. The purchasing/consuming decision of a wristwatch is based on the popularity of the watch among your peers | 1. The purchasing/consuming decision of a wristwatch is based on its uniqueness and the limited edition |
| 2. Wearing an expensive watch helps you to be the center of attraction | 2. Wearing a branded watch which is unique enhances your confidence as no one wears a similar watch |
| 3. You are attracted to common things | |
| 4. Wearing a luxurious, expensive watch endorsed by a celebrity is in your wish list | |

Table 2.

Statements used on Likert Scale to explore decorative consumption patterns and socio-demographic affiliations in the case of Houses.

| Veblen Effect | |
|-----------------|----------------------|
| Conspicuousness | Anti-Conspicuousness |

- | | |
|--|---|
| 3. You prefer a modern big mansion which showcases your status | 4. The size of house does not matter as long as it provides shelter |
| 4. The purchase /consumption of a house is based on its potential to signal wealth and enhance social status | 5. The consumption/purchase of a house is based on the worth (value for money) of the house |
| 5. Living in a luxurious house will uplift your living standards and showcase your stature in the society | 6. Living in a luxurious big house is a headache |
| 6. Big houses openly display how rich a person is | 7. Excessive spending on houses to showcase wealth is a waste of money and an utter stupidity |

Snob Effect

- | Snobbism | Anti-Snobbism |
|---|---|
| 1. You prefer a big house with unique architecture | 1. The purchasing/consuming decision of a big house is based on the popularity of its features among your peers (such as the size and number of floors) |
| 2. The purchasing/consuming decision of a house is based on the extremely unusual architecture of the house as you are attracted to rare things | 2. You prefer to own a luxurious house similar to your friends' houses |
| 3. You prefer to own a unique extravagant house because no one else in the neighborhood owns one | 3. You are attracted to big houses because they are common in the community you live in |

Bandwagon Effect

- | Conformism | Anti-Conformism |
|--|--|
| 1. You prefer a big house which is similar to that of your peers | 1. You prefer a luxurious house which is very unique |
| 2. The purchasing/consuming decision of a big house is based on the size of the neighboring and my peers' houses | 2. Your demand for a big house will increase if no one else in the neighborhood owns a similar house |
| 3. Social influences affect your desire to have a luxurious house | |