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Exploring status consumption in South Africa: a literature review

Abstract

South Africa is one of the most important countries in the status goods market. In addition, it has the biggest share from the status consumption market in Africa and it is amongst fastest growing countries worldwide in status consumption. The growth in status consumption in South Africa is attributed to the growth of the high-income and middle-income groups. As the demand for status increases and status goods become more available, the concept of status has become an important research area for academics and marketers. The aim of this study is to explore the concept of status consumption and provide an overview of status consumption. In this study, the literature has been reviewed for the studies on the same subject to make a compilation.

Keywords: status consumption, status symbols, South Africa.

JEL Classification: D42, D43.

Introduction

One important motivating force that influences a wide range of consumer behavior is the desire to gain status or social prestige from the acquisition and consumption of goods. More often than not, individuals purchase expensive and luxury goods to display their social standing. In addition, individuals purchase status products to fulfill their material desires and reinforce their group identity (Madinga, 2016). Veblen (1899) was the first researcher to discuss status consumption in The Theory of the Leisure Class, in which he indicated that people acquire and display expensive luxury materialistic items to suggest wealth or attract attention to one’s wealth (Misra, 2013).

According to Bilge (2015), decades ago, consumers use to rationally select products that will provide them with the greatest value with the smallest cost during the purchasing process. Nevertheless, Altuniski (2007) reveals that individuals do not always act reasonably and every now and then get completely emotional focusing on the feelings like pleasure, esteem, happiness, etc., when purchasing goods. It is not surprising to find out that the demand for status goods is increasing rapidly, as more individuals are moving away from the lower class to the middle class (Husic & Cicic, 2009). As such, status goods are no longer for the rich only (Savitha & Sathyaranayan, 2014).

To majority of the consumers status products were once considered difficult to obtain and a privilege to consume. Status goods were only accessible by a small group of consumers; they were products or services that were scarce (Eng & Bogaert, 2010). Status goods have now come to be more affordable to many consumers, particularly for individuals from the middle class who access more money than ever before (Hauck & Stanforth, 2007) and, therefore, status brands have an opportunity to flourish and establish their reputation worldwide. For instance, Vickers and Reand (2003) point out that the status industry was worth more than 90 billion USD in 2003 (Vickers & Reand, 2003). According to the Bain & Company report Global Luxury Goods Worldwide Market Study Spring 2014, the growth rate of the status goods market will be 4-6% in 2014. There are remarkable differences across the counties in the global status goods market. The status markets in Africa, China and Japan are expected to rise, whereas the Russian market is expected to fall. China is the current leader in the global luxury market. The categories expected to get the highest share are accessories and menswear and the demand for luxury goods is increasing rapidly in menswear (haberler.com, 2014).

Goal of the study

The goal of the present study is to present literature on status consumption in modern consumer behavior across a wide variety of products and brands.

1. Literature review

In order to address the aim of the research, it is of importance to establish a sound literature base around which the study was be built. This section presents a review of the literature related to the purpose of the study. The review was undertaken in order to eliminate duplication of what has been done and to provide a clear understanding of existing knowledge base in the problem area.

1.1. The definition of status consumption. O’Cass and McEwen (2004, p.28) define status consumption as the individual nature of possessing status goods both for inner reasons (self-reward, without showing the product to the public) and/or external reasons (to show wealth through public display of products). In
the definition of Goldsmith and Clark (2011), status consumption is viewed as an individuals’ behavior of seeking to buy products or services for the status they represent, regardless of the individual’s income or social class. Drawing upon various definitions on status consumption, Eastman and Liu (2012) concluded that the visible consumption of expensive products and services offers the consumer fulfillment from others’ responses to the wealth shown rather than from the worth of the product itself. Status consumption is a concept, which has been defined in different ways. For the purpose of this study, status consumption will be viewed as buying or possessing products to enhance one’s image and to demonstrate wealth through public display of those products irrespective of one’s socio-economic background. Different types of status symbols are discussed in the following section.

2. Status symbols

According to O’Cass and Frost (2002), status symbol is what the product means to consumers and the broad spectrum of feelings they experience in purchasing and using it, such as arousal, excitement or pleasure. In addition, O’Cass and Frost (2002) maintain that status symbols relate to the image a particular item elicits in consumers’ minds.

For any product to be perceived as a status symbol, certain characteristics must prevail. Del R’o, Vazquez and Iglesias (2001) suggest that the status of a product is determined by the product’s attributes, benefits and attitudes. Attributes refer to what an individual perceives a product to be and what is involved with its buying or consumption (Jakpar, Na, Johari & Myint, 2012). Benefits refer to what consumers think the product can do for them. Attitudes entail individual’s overall judgment of the product (Onyango, Nayga & Schilling, 2004). If consumers believe that the product or brand will uplift their status, it becomes a status symbol (Mazali & Rodrigues-Neto, 2013). Products such as mobile phones, luxury cars, pets and branded clothing have been associated with status (Mazali & Rodrigues-Neto, 2013).

2.1. Mobile phones. Individuals buy cellphones for several reasons. Certain individuals buy cellphones to use as a communication tool; these individuals appear to care less about the cellphone appearance or symbolism. However, other people purchase the cellphone to project status (Oksman & Rautianinen 2003). These individuals are very selective when choosing a cellphone to use (Davis 1992). According to Heugel (2015), consumers often purchase expensive cellphones such as Apple (iPhone) and Samsung Galaxy to portray their status to their surroundings. As such, Schwartz (2003) ascertains that a cellphone is an extension of the consumer’s identity.

2.2. Pets. Hirschman (1994) states that individuals buy rare and unusual animals to satisfy their need for status. According to Pajarskaite and Cekavicious (2012), individuals purchase pets as beautiful-to-belong to; they serve as “animal ornaments”. These pets are used to portray consumer’s fortune and high social class (Pajarskaite & Cekavicious, 2012). Pets such as King Charles spaniels, Chinese shar-pei dogs, sphynx and Bengal cats normally are perceived as status objects (Hirschman, 1994). Furthermore, animal companions, particularly cats and dogs, often are bought to satisfy social needs and they are utilized as tools to extend the self and to symbolize certain aspects of who you are as an individual (Endenburg, Hart & Bouw 1994).

2.3. Luxury cars. Modes of transportation, luxury cars in particular, have long been considered general status symbols. Since the beginning of the twentieth century, luxury cars have been one of the most dominant and universal status symbols (Vella, 2008). Not every car can be utilized to symbolize an individual’s status, but cars that are only available on a limited basis can be used to display status (Fan & Burton, 2003). Hence, Wiedmann, Hennings and Siebels (2009) opined that products are regarded as a status symbol when they are expensive and only the wealthy can afford them.

2.4. Wellness. Many people regard wellness as a status symbol and the privilege of the wealthy individuals (Fodor, Csiszarik-Kosciir, Katalin & Medve, 2013). Furthermore, individuals display good health as a social status symbol of dominance (Ansbacher & Ansbacher, 1967). According to Berry (1994), wellness is a symbol of the new luxury taking over the upper class consumers. Thomas (2007) indicates, that in the past, consumers used to show off new expensive luxury cars or expensive designer handbags to obtain status from their society. However, “health bragging”, has become the alternative to show others how privileged you are (Kraft & Goodell, 1993).

Cooper (1990) states that wellness is the new buzzword of the flourishing lifestyle trend and it is not cheap. Many people consider going to a gym as a madly extravagant expenditure since it is not a once-off purchase, but a monthly habit for an increasing percentage of the people for whom wellness has come to be a visual stamp of their superfluity lifestyle (Vlachopoulos, Theodorakis & Kyle, 2008). Benavides and David (2010) indicate that consumers, who are health conscious, feel a little superior to others.

2.5. Golf club membership. Golf is a well-known leisure activity primarily used to meet people (customers) and used as an indicator of status (Bell, 2000; Chopra, 2003). Middle class consumers believe that having a golf club membership card is the best
way to mark their identity and separate themselves from socially inferior individuals (Mrozek, 1983). According to Petrick (2001), golf club membership reveals an individual’s wealth and prestige, and certain consumers may seek to boost their social standing by buying into a golf community or playing the game. Furthermore, Garl, Hirsh, Leininger, Mulvihill, Renner and Scavo (2001) indicate that aspects such as status and exclusivity of golf courses encourage individuals to play golf. However, not all individuals who own a golf club membership card are golf players. They just enjoy the aesthetic qualities and the perceived exclusivity of the community (Garl et al., 2001).

2.6. Luxurious jewelry. According to Andrews (1990), the word jewelry is derived from the Latin word *jocale*, meaning playing. Curtis and Tallis (2005) point out that jewelry is the most ancient form of body ornamentation. Apart from functional use, jewelry is a symbol of wealth and status (Schiffman & Kanuk, 2010). In addition, Piron (2000, p.315) indicates that the ownership of luxury jewelry normally signifies the owner’s economic status. As a result, consumers purchase and exhibit luxurious jewelry to display their social status and their ability to afford them (Chandon, Wansink & Laurent, 2000). Consumers tend to believe that the more expensive the jewelry, the higher perceived social status they can attain (Wattanasuwan, 2005). Dubois and Duquesne (1993) argue that the main motive of purchasing and exhibiting luxury jewelry is for the symbolic value thereof.

2.7. Vacations. Vacations are considered to be “new luxury” (Hanzae & Rouhani, 2011). New luxury represents a product or service, which cannot be owned or consumed by everybody and gives consumers higher levels of quality, passion and pleasure. Status-conscious consumers, who are typically middle class (Heine, 2012), are likely to find new ways to display their status and differentiate themselves from others. Expensive vacations have become one of the ways those consumers display their status (Ustuner & Holt, 2010).

2.8. Clothing. Clothing is among the product categories used to communicate one’s status (O’Cass & Frost, 2002). In a study by Karpova, Nelson-hodges and Tullar (2007, p.12), respondents revealed they could identify an individuals’ social status by observing their outfits. Furthermore, O’Cass and Choy (2008, p.348) assert that clothing is used to indicate the social position of its wearer. Thus, clothing assists individuals in expressing their identities associated with social class (Coskuner & Sandikci, 2004, p.287). Through clothing, the middle and upper class communicate their standing in society (Solomon & Rabolt, 2004, p.239). More importantly, the upper class establish their superiority over lower classes by consuming certain clothing items (Coskuner & Sandikci, 2004, p.287). As such, clothing helps individuals to express their social standing and social status.

3. Motives for status consumption

The consumers’ willingness, decision, or need to buy a product (Chaudhuri & Majumdar, 2006) is a reaction to several influences (Ko, Robert & Cho, 2006). According to Vigneron and Johnson (1999), the inner human desires are liable for status purchase motivations. In addition, consumers purchase status products because of the influence they receive from their societies (Chadha & Husband, 2006). Teimoupour, Hanzae and Teimpour (2012) revealed that consumers purchase status products because of quality assurance, desire for social status, hedonism, social conformity, desire for uniqueness and symbolic motivation. These motives for status consumption are discussed in the following section.

3.1. Quality assurance motivation. Gentry, Putrevu, Shultz and Commuri (2001) indicate that consumers usually purchase status products for the superior quality reflected in the product or brand name. Hence, quality superiority is a substantial, perceptible value associated with status goods (Wiedmann, Hennings & Siebel, 2009). This is consistent with the notion that status products provide greater quality and performance compared to non-status products (Quelch, 1987; O’Cass & Frost 2002; Vigneron & Johnson, 2004). According to Aaker (1991), consumers are likely to associate status products with greater brand quality and reassurance in such a way that they perceive more value from status brands. Thus, individuals purchase well-known brands mainly for their perceived high level of quality (Zhou & Wong 2008). Thus, quality assurance is known as a self-directed drive in status consumption (Tsai, 2005).

3.2. Desire for social status motivation. With this motive, individuals wish to advance their self-esteem and social status by purchasing and consuming luxury goods in the presence of others (Vigneron & Johnson, 1999). Several studies (Belk, Bahn & Mayer, 1982; Solomon, 1983) established that consumers are often more interested in status-directed symbolism compared to utilitarian functions. Grubb and Grathwohl (1967) propose that every individual has a self-concept and aims to boost it through use of products as symbols. Mason (1981) asserts that status pursuit is the most essential motive in status consumption, and it generally occurs across all social classes (Eastman, Goldsmith & Flynn, 1999).

3.3. Hedonic motivation. Hirschman and Holbrook (1982) believe that individuals have a tendency to buy goods through the experience of fun, fantasy and playfulness with products. Liao and Ma (2009)
communicate meaning about themselves to their consumers utilize status products as symbols to symbolic consumption as the “process when...

3.6. Symbolic motivation. Veblen (1899) defines symbolic consumption as the “process when consumers utilize status products as symbols to communicate meaning about themselves to their reference groups”. Symbolic products are products that are mainly sensitive to social influence and are visible (Nueno & Quelch, 1998). Eastman, Iyer and Thomas (2013) point out those symbolic products include luxury clothing, accessories, automobiles, and furniture.

Dubois and Duquesne (1993) indicate that symbolic motivation of status consumption is divided into two groups known as snobbism and bandwagon. Snobbism refers to individuals that purchase less of the product or brand if others are purchasing it as well (Dubois & Duquesne, 1993). Individuals within this classification prefer purchasing unique products to signify their exclusive identities. According to Leibenstein (1950, p. 204), snobs demand for a product or brand will drop if they notice mass consumers’ demand for the same product increases. In addition, snobs tend to prefer limited supplies of luxury goods and they reject the product when they notice that it has been consumed by the masses (Vigneron & Johnson, 1999).

Bandwagons are individuals who purchase what other consumers are purchasing (Dubois & Duquesne, 1993). Bandwagon refers to consumers that desire to conform to their ideal reference group and to segregate from an undesired reference group (Vigneron & Johnson, 1999). Bandwagons’ demand for a product escalates when they notice others are also using the same product.

Conclusion

To many consumers, status goods and services were once considered difficult to obtain and a privilege to consume. Status goods used to refer to products that can only be consumed by the rich. However, lately, the status fever sweeping through the entire world has made it very interesting for many luxury goods and services. As mentioned before, the status market is now massive; therefore, to sustain their successful position status brands need to understand consumer’s purchasing motives. Consumers normally purchase the same type of a product for various reasons. As such, consumers purchase status products for quality assurance, desire for social status, hedonism, social conformity, need for uniqueness and symbolic purpose. A product can only be considered to be a status product if consumers believe it will uplift their status. As a result, majority of consumers use expensive mobile phones, unique pets, luxury cars, wellness, golf club membership, luxury jewelry, vacations and expensive branded clothes as status symbols. A literature review revealed that there are gaps in knowledge about status consumption, especially knowledge on consumers from developing countries.
References


