

**THE REPUBLIC OF TURKEY  
BAHCESEHIR UNIVERSITY**

**THE CONSPICUOUS CONSUMPTION TENDENCIES  
OF THE CONSUMERS**

**Master's Thesis**

**BAHAR AYDIN**

**ISTANBUL, 2012**



**THE REPUBLIC OF TURKEY  
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**THE INSTITUTE OF SOCIAL SCIENCES  
MARKETING MASTER PROGRAMME**

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**Supervisor: PROF. DR. SELIME SEZGIN**

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Istanbul, 2012

Bahar Aydın

## ABSTRACT

The Conspicuous Consumption Tendencies of The Consumers

Bahar Aydın

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Consumerism is both a social, and economic order being based on developing a desire for purchasing services, and goods in bigger amounts. This term has generally had to do with criticism for consumption that started with Thorstein Veblen. The process of globalization provided the rise of the newly emergent middle class which arised at the first years of the twentieth century, to full fruition up till the end of the twentieth century, being the subject of examination of Veblen. And Veblen coined the term of conspicuous consumption.

The globalization increasing speed, considerable challenges and opportunities for international marketers have emerged.

The liberalization of trade policies has provided consumers with more foreign product choices than ever before. Consequently, their attitudes toward products originating from foreign countries have been of interest to international business and consumer behavior researchers for decades.

This research study looks at the relationship between conspicuous consumption, big five personality traits and some demographic factors based on an analysis of the survey results that used convenience online sample of residents in Turkey. In this study, it was aimed to identify the conspicuous consumption tendencies of consumer's during the decision making process. The factors that affect the consumer behavior was examined and perception of luxury good market variables were explained. In order to measure consumer's tendencies towards conspicuous consumption, a survey was conducted.

According to the conducted survey, it was found that tendency of conspicuous consumption varies related to some big 5 personality scales.

**Keywords:** Conspicuous Consumption, Openness To Experience, Agreeableness, Extraversion, Neuroticism, Conscientiousness, Consumer Behavior

## ÖZET

Tüketicilerin Gösterişçi Tüketime Olan Eğilimleri

Bahar Aydın

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“Tüketimcilik”, daha fazla hizmet ve mal satın alımlarına ulaşma isteği üzerine kurulu hem sosyal, hem de ekonomik bir olgudur. Bu terim Thorstein Veblen tarafından başlatılarak, tüketimin eleştirilmesi ile ilişkilendirilmiştir. Veblen’in araştırma konusu, yeni oluşan orta sınıfın 20. yüzyıl başlarında yükselişe geçişi ve bunun 20. yüzyıl sonralarına doğru, küreselleşme aracılığıyla iyice filizlenmesiydi. Ayrıca Veblen “Gösterişçi Tüketim” deyimini literatüre kazandırmıştır.

Küreselleşme ile birlikte, uluslararası pazarlar için oldukça büyük fırsatlar ve meydan okumalar olmaktadır. Ticaret siyasetinin liberalleşmesi, tüketicilerin daha önce hiç olmadığı kadar büyük bir yabancı ürün yelpazesıyla buluşturmasını sağlamıştır. Sonuç olarak, onların yabancı ülkelerden gelen ürünlere karşı tutumları, uluslararası ticaret ve tüketici davranışı araştırmacıları için uzun süredir ilgi çekici olmuştur.

Bu tez araştırması gösterişli tüketimcilik, beş büyük kişilik özelliği ve bazı demografik etkenler arasındaki ilişkiyi, Türkiye’de birçok kişinin araştırmaya katılımıyla konu edinmiştir. Bu çalışmada, tüketicinin karar verme işlemi sırasındaki gösterişli tüketim eğilimlerini tanımlamak ve belirtmek hedef alınmıştır. Tüketici davranışını etkileyen etkenler incelenmiş ve lüks tüketim market ürünlerinin algılanışı anlatılmıştır. Gösterişli tüketim üzerine olan eğilimleri ölçmek amacıyla bir anket yapılmıştır. Yapılan ankete göre, gösterişli tüketime olan eğilimin beş büyük kişilik özelliğine bağlı nasıl değişiklik gösterip göstermediği gözlenmiştir.

**Anahtar Kelimeler:** Gösterişçi Tüketim, Deneyime Açıklık, Uyumluluk, Dışadönüklük, Duygusal Denge, Sorumluluk, Tüketici Davranışı

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## **1. INTRODUCTION**

This study addresses the consumers' conspicuous consumption tendencies during the decision making process. In the first chapter, the term of consumption was overviewed, and its advantages and disadvantages to the whole society and consumers have been analyzed; also general concept of conspicuous consumption was overviewed. The development of conspicuous consumption, the factors affecting the conspicuous consumers among themselves, advantages and disadvantages of conspicuous consumption and marketing strategies of conspicuous consumption have been mentioned.

The second chapter of the study, focus concentrated on the consumer behavior and the factors that affect consumers' purchasing behavior such as personal factors.

In the third chapter, after giving the information about the general structure of the research, aim of the study and methodology of the study has been explained. A survey with 196 participants was conducted to measure the consumers' tendencies on conspicuous consumption behavior. According to data that has been gathered from research, some analyses were done to investigate the reasons of consumers' preferences of the products which have status and dimensions that affect their tendencies of conspicuous consumption.

In the last part of the study, the findings were evaluated and recommendation were made for future studies.

## 2. VIEWS ABOUT CONSPICUOUS CONSUMPTION

The researcher McCracken emphasizes that the importance of conspicuous consumption is important for the history of consumption because it helps much to the growth of the consumer society (McCracken 1987 p.150).

If we look at social, and historical context, this term, that is, “conspicuous consumption” has been used to describe the efforts of men, women, and families of the upper class trying to have a higher social power, as well as prestige, through their huge wealth.

When we come to the 20th century, we can see that the standard of living for a society has gone through a significant improvement, and with the following emergence of the middle class, the term “conspicuous consumption” has been applied to the women, men, and households, who used their wealth to just heighten the level of their social status, and prestige, but these had no practical, intrinsic utility of the goods, and services they used. As for the 1920s, Paul Nystrom (1878-1969) a famous economist, had proposed that along with the industry age, the “philosophy of futility” had been induced to the mass of society, which would pave the way for the augmentation of the consumption of services, and goods as if it were a social fashion, being an activity executed for just itself. In this context, we can consider “conspicuous consumption” a behavioural addiction, or a narcissitic behaviour, or both of them, which means people can follow some ways so that hedonic expectations of them get gratified.

In this interval, the sociologists and the economists suggested that conspicuous consumption be a term that can be practically defined as the behaviours of rich people, but it has not always been the case. The research of the economists Erik Hurst, Kerwin Kofi Charles, and the finance professor Nikolai Roussanove shows that conspicuous consumption can also be practiced by low social classes, or the ones in developing countries. As for these low social classes, there'd be a psychological combat against the poverty by the society on the strength of that the perception of society is “poor” will be forced to change (Postrel, 2008).

### 3. CONSPICUOUS CONSUMPTION AND VEBLEN

His study is an economic thesis and elaborate criticism of conspicuous consumption as a function of social-class based on consumerism so that it indicates social class and division of labor of the feudal period that continues through the modern era. The industrial occupations, which support the whole society, are pertained to middle and lower classes while conspicuous consumption and conspicuous leisure activities are pertained to the lords of manor. They dedicated themselves to economically useless practices so that they do not contribute to the economy and to the material productivity needed for the satisfaction of societal welfare (Benét's Reader's Encyclopedia 1987, p. 970).

According to a contemporary dictionary definition, conspicuous consumption is defined as the buying of many things, especially expensive things, that are not necessary to one's life, and those purchases that are done in a way that will make people take notice of the spending of Money (Longman American Dictionary 2000, p. 296).

American Marketing Association defines brand as 'a term believed to have been coined by Veblen implying consumption for the sake of displaying to others wealth, power, or prestige. Usually it is applied to expensive or luxury goods rather than everyday items'.<sup>1</sup>

Conspicuous word is used not only for consumption, but also for leisure. So that, A. Trigg mentions about conspicuous consumption as the consumer behaviors by the individuals display their great wealth by means of idleness; such as expending much time in the leisure activities and also tossing money to consume luxury goods and services (Trigg, 2001, pp. 99–115).

Conspicuous consumption requires that one spends money for luxurious services, and products in order to show his/her economic power – be it either the income of the buyer or the accumulated wealth of the buyer. In terms of sociology, as for the conspicuous consumer this public display of the economic power is the quintessence of a social status being attained, or maintained. Also, invidious consumption, being a more specialized sociologic term, denote that its main goal is to create the envy of other people through the deliberate conspicuous consumption, making it such a means for superior socio-economic status (Thorstein 1899, pp. 25-47).

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<sup>1</sup> [www.marketingpower.com](http://www.marketingpower.com)

The Theory of the Leisure Class is considered one of the first detailed critiques of consumerism.

More than a century ago; in 1899, economist and sociologist Thorstein Veblen, launched a new term related to the consumer behavior. So that, he defines conspicuous consumption as high portion of spending of money and time by American rich on unproductive and unnecessary leisure expenditures.

According to *The Theory of the Leisure Class: An Economic Study of Institutions* (1889), the economic life is rather determined by the social vestiges of the tribal society, not by utility. There'd be given many examples for his situation as well, such as some tribal-society behaviours that made men and women have different labour tasks. According to the status group, we can consider hunting and combat as the behaviours of the high-status people, whereas, we can consider farming, cooking, and some other basic skills, and tasks as the behaviours of low-status people.

If we look at the starting point of the differentiation in consumption, it relies on anything which can fairly be counted as pecuniary strength. In fact, it is reasonable to go back to the initial phase of predatory culture.

The best examples are seen in the use of narcotics and intoxicating beverages. And these articles of consumption is accepted as honorific and noble because their cost is high. So, the inferior classes, especially the women, have to practice an enforced continence for these stimulants. From archaic times to the all length of patriarchal order; women prepared and managed the luxuries while the men who are noble, consumed the things women have produced. Moreover, the pathological outcomes of overmuch use of the stimulants, such as drunkenness, are accepted as honorific within the community because these over-indulgences show the superior status so that shows the ability to afford the indulgence. And these over-indulgences are recognized as manly attributes. These attributes are called as gentle or noble. But it is only at a relative stage of culture that these indulgences are shown as a mark of superior status, the deference of the community. After a while, the community disapproved any excessive indulgence by the men of noble and wealthy class. This invidious distinction increases the current disapproval of any indulgence in the class of women and inferiors. This conventional distinction saves its force within the advanced peoples of today so that



leisure class continues its force in the management of the conventionalities; it is seen that women are still subject to restriction in use of stimulants (Thorstein 1899, pp. 50-51).

The greater continence of women is due to forced conventionality where the patriarchal order is placed and it sees the women as a chattel. The tradition says that the women can only consume for their basic needs. But, they are allowed to make consumption for the comfort of their masters. Except the consumption of the master, any type of consumption by others can be made only on a basis of sufferance. In the communities where patriarchal order has dominancy, we observe that the reputability of luxuries decline in the case of their use by inferior, dependent class.

The great conservative middle classes of Western civilization is very rigid in the use of those various stimulants. Especially, the middle classes of German culture survives its sense of patriarchal proprieties so that the women are highly restricted with the tabu on alcoholic beverages and narcotics. After a while even when the patriarchal tradition weakened, the general rule is still valid that women can consume only for the comforts, benefits of their masters (Thorstein 1899, p.51).

All through the length of the early periods of economic development, all consumption which is made in excess of subsistence minimum, is unique to the leisure class. After the later peaceable stage has started, this distinction starts to disappear by having private ownership of goods and an industrial system which is based on wage labor. However, during the earlier quasi peaceable period, leisure class has affected the economy by its traditions so that the conventional law served as the norm provides the consumption to conform and eliminate the aberrant forms sooner or later in the further stage of the economic development. At the quasi-peaceable stage, the gentlemen of leisure class do not only consume in excess of subsistence of minimum, they also take into account the quality of the goods consumed. They consume in a free way and of the best of victuals, alcoholic beverages, shelter, weapons, ornaments, idols or divinities. All these things reflect more personal comfort, well-being and are more reputability. The consumption of these more quality and quantity of goods reflect the level of wealth, it becomes honourific while the consumption of less quality and quantity of goods reflect inferiority (Thorstein 1899, p.52).

The increase in the qualitative excellence in food, beverages, and etc. doesn't only affect the manner of life, but also the intellectual activity of these gentleman of leisure class. He should

improve his talents to discriminate some nicety between the noble and inferior in consumable goods. He becomes an expert in determination of value degree in mainly drinks and trinkets, in seemly architecture and apparel, in narcotics, games and weapons. With the improvement of aesthetic values, needs of the leisure class to have an arduous practice to the business of learning how to continue an ostensible leisure in an appropriate way. Besides, the gentleman must consume high quality and quantity of goods, they should also know how to consume them in an appropriate style.

Conspicuous consumption provides reputability to the gentleman but accumulation of his wealth doesn't help him to put his opulence in evidence sufficiently by unaided effort. In this extent, the aid of his friends and competitors is launched by giving of valuable presents or organising expensive feasts. The gentlemen required the utility of these activities for the purpose of conspicuous consumption and carried that character to the present so that the utility has now long been the robust base on which these usages rest. The balls or the potlatches serve to this aim. The competitor (host) hires an entertainer and wishes to create a comparison to reach to his aim. The entertainer consumes vicariously for the host and also he sees the consumption of excess of luxury things that his host is not able to dispose by himself, and at the same time he sees his host's facilities in etiquette.

The tradition of feasts occurred by motives of fun and religion; these motives are also seen in the later development stage. However, there are other motives, too. Contemporary leisure-class entertainments serve fun rather than serving to the religious need. And, they also have an invidious aim; they serve it less effectually for making a colorable noninvidious ground. Economic power is not lessened in the vicarious consumption or in exhibition of facilities in etiquette (Thorstein 1899, pp.53-54).

As the wealth accumulates, a more elaborate system of rank arises. The differentiation comes from the inheritance of wealth and consequent inheritance of gentility.

A dignified leisure can be maintained, without the complement of wealth, by inheritance of gentility. Noble blood may be transmitted without wealth but enough to have power for a reputedly free consumption. So, a new class occurs; impecunious gentleman of leisure.

These half-caste gentleman of leisure is classified into a hierarchial gradation system so that some are placed near the higher and the highest ranks of wealthy leisure class, in terms of birth or in terms wealth or both. Having lesser ranks leads the weaker group to affiliate themselves to a higher ranked group. Especially the impecunious gentlemen of leisure initiate themselves by a loyalty system to the great ones. By doing this, they gain increment in reputability. They work as servants or retainers and are approved by their masters so that they are indicators of his grade and also the vicarious consumer of his great wealth. Many of them, becoming the servant crew of a great wealthy class, is shown as vicarious consumers without qualification (Thorstein 1899, p.54).

The culture of conquest, and barbarism has led to such a division of labour, because the conqueror groups used to assign the labor-intensive occupations to the vanquished people, whereas they assigned themselves the jobs concerning military, or any other ones requiring less labour-intensive tasks. It was not in the realm of importance that the low-status jobs provided more support for the society than did the high-status jobs such as that of soldier, hunter, etc. Also some men, and women in the unconquered tribes had no such labour-division, because they just emulated from the high-status, or the leisure class of the tribe.

Even though the leisure class was assumed to be contributing to the society within practical utility, it had in effect a minor importance. Their works were assumed to be symbolic, and peripheral rather than being classified as economic production. For instance, hunting was assumed to be less productive than what required to be farming, and domesticating the animals, also it was easier compared to that of the low-status tasks. Also the ones associated with high-status had nothing to do in the peace era, they were exempt from low-status tasks due to their being a member of the leisure class.

At the same time, the leisure class kept having the high social status by coercion, being directly or indirectly; for instance, the lower class members had to work for producing weapons, and have military skills for the leisure class members who had the rôle of soldiering in defense of the tribe any time. So, labour was divisioned between groups, and it has made low-status class members dependent upon the ones pertaining to the high class members, in case of defense against natural enemies, and against supernatural entities, be it Gods, or ghosts, for the first clergy men were composed of the leisure class.

As Veblen has proposed, society did not replace, and copied this old labour division, and different expressions, and forms have evolved. For instance the hunters, and soldiers, in the Middle Age, were considered noble, whereas nowadays, the white collar people get paid more than are manual laborers (Thorstein 1899, pp. 47-69).

#### 4. HISTORY AND EVOLUTION OF CONSPICUOUS CONSUMPTION

Conspicuous consumption behavior with its evolution, nature and character is shown in the Table 1 below:

**Table 4.1: A structural analysis of conspicuous consumption behavior**

<b>Social Structure</b>	<b>Primary Objects of Consumption</b>	<b>Drivers of Behaviour</b>	<b>Consumers</b>	<b>Principal Behaviour Dimensions</b>
Precapitalist-Feudal	Slaves, Women, Food	Military and Political Powers	Nobility	Pure Ostentation
Modern-Capitalist	Very Expensive Products e.g. Diamonds	Social Power and Status	Nobility and Upper-middle Class	Ostentation and Signaling and Uniqueness
Post-Modern	Image and Experience	Self-expression and Self-Image	Middle-class and the "Masses"	Uniqueness and Social Conformation

Source: Chaudrai & Majumdar 2006, p.3

#### 4.1 UNDERSTANDING CONSPICUOUS CONSUMPTION TOWARDS FEUDAL, MODERN AND POST-MODERN PERIODS

Although conspicuous consumption was firstly noted by Veblen, we can see the practice of this phenomenon of spending money to scream one person's success is based on old times; in primitive society so that men used women and slaves as their trophies showing the status. Aristocratic class of Romans spent excessive money to expensive gladiator fights. The base of ostentation can be characterized by the coexistence of military, money and political power that is managed by the nobility (Finlay 1973).

Jameson(1983) notes that evolution of capitalism dictated contemporary cultural practices, art and philosophy. This period is placed between the ends of nineteenth century (the times which Veblen

coined conspicuous consumption term) and the mid-twentieth century (near the world war II) in England, Western Europe and U.S. with monopoly capitalism and its required modernistic cultural practices. The modernism requires rationality and creating an order. Creating more rationality means creating more order and a more ordered society means the more functional society. Because modernism is the search of increasing levels of order, modern societies are against anything that is labeled as disorder. So, lavish spending was labeled as wasteful as the practice of disorder.

However, by the post-war era, the fast diffusion of capital across boundaries with the result of the establishment of a dominance of capitalistic ideologies over socialism and fast developments in technology and communication have taken place. By the stage of capitalism; postmodernism, which starts from the beginnings of 70s, marketing, selling, consumerism; not on producing them were emphasized (Baudrillard 1975, 1981; Ewen 1988; Mourrain 1989).

By the launch of consumption, which comes with the post-modernism, the consumption activities are taken by Western institutions. We see these actions commonly in the new industrialising economies so that the marketing term has gained importance. The actions based on the post-modernity differ qualitatively from the past. Post-modern consumers have more complex structure than the simpler ‘rational’ consumer of the past (Firat, Dholakia and Venkatesh 1995, p.44).

The direction of production and consumption changed because production has lost its privileged situation in the culture and consumption is being used a tool for consumers to describe their self images to themselves and for the others. Here, the marketing institution has strengthened this trend. The importance of these activities, which provides self and social images, caused conspicuous consumption phenomenon to be more effective which states that products are means used as symbols, are evaluated, bought, and consumed according to their symbolic content.

According to Elliot and Wattansuwan (1998); these symbols are the tools providing the interpersonal communication and their meanings are used as an outward expression of consumer self-concept and communication with the others.

## **4.2 UNDERSTANDING CONSPICUOUS CONSUMPTION RELATED WITH PRINCIPAL BEHAVIORAL DIMENSIONS**

Conspicuousness can be explained as a function of a few dimensions:

### **4.2.1 Ostentation and Signaling**

As Veblen noted, many products are consumed for signaling the wealth, power and status. And although post-modernism has launched the motivation to display power and status may remain powerful within certain segments of the consumers (Chaudrai & Majumdar 2006, p.6).

The segment finds the price of the product as a tool signaling his/her power and status. Because their main aim is impressing other people, they see the price as a significant indicator determining the power and status (Amaldoss and Jain 2005, pp.30-42).

### **4.2.2 Uniqueness**

This dimension is firstly launched by Leibenstein as the snob effect. It takes into account emotional, personal considerations when consuming the status brand and also affects or being affected by other people's behaviors (Mason 1995).

Post-modernist ideas propose that consumers may reject values having dominancy or being accepted as normal and they want to have their own, original things. This is the development which provokes the need for uniqueness to go further so that causes consumers to interpret the products in a different perspective, add meanings to them, and search for new ways of self-expression and communication techniques (Douglas and Isherwood 1995).

### **4.2.3 Social Conformity**

Within the postmodern society, which consists of societal micro groups sharing the common subculture and emotional bonds, consumers are subject to having a more conforming mentality (Cova1996).

According to research results; individuals try to conform to the majority opinion of the group they're linked to, when constructing their attitudes. And this effort is shown because of improvement of the self-image. This motivation awakes and becomes significant when the subject is conspicuous consumption(Chaudrai & Majumdar 2006, p.7).

In the early times of the economy, herd behaviors captured attention of the researchers like Veblen mentioned about sudden consumer behavior shifts such as in fashion. Burt (1982) propose that people have tended to conform to the opinions of their reference groups in case of ambiguous situations so that they end with a clear solution. He says; the products bought are adopted by the individuals who were structurally equivalent to each other, resulting that they attained the same social structure and having the same relations within the related group. Rather than relative hierarchical social status, also equivalent social standings can be important, with same significance level, for emulative product adoption (Ronald 1982).

In the 19th century, the term conspicuous consumption was introduced by the economist and sociologist Thorstein Veblen (1857–1929), in the book *The Theory of the Leisure Class: An Economic Study in the Evolution of Institutions* (1899), to describe the behavioural characteristics of the *nouveau riche* (new rich) social class which has emerged as a result of the accumulation of capital wealth during the Second Industrial Revolution (ca. 1860–1914) (Thorstein 1899, pp.47-69).

In that social and historical context, the term “conspicuous consumption” was narrowly applied to describe the men, women, and families of the upper class who applied their great wealth as a means of publicly manifesting their social power and prestige, be it real or perceived.

In this interval, the sociologist, and the economist suggested that conspicuous consumption be a term that can be practically defined as the behaviours of rich people, but it's not always been the case. The research of the economists Erik Hurst, Kerwin Kofi Charles, and the finance professor Nikolai Roussanove shows that the conspicuous consumption can also be practiced through by low social classes, or the ones in developing countries. As for these low social classes, there'd be a psychological combat against the poverty by the society on the strength of that the perception of society is “poor” (Postrel 2008).



In the 21st century, the term conspicuous compassion has emerged, describing a variant consumerist behaviour that is the practice of publicly donating great sums of money to charity, as a means of enhancing the social prestige of the donor man, woman, or family; thus buildings emblazoned with the donor's name.<sup>2</sup>

Simultaneously, the leisure class retained its superior social status in the tribe by means of direct and indirect coercion; for example, the leisure class reserved for itself the "honorable" profession of soldiering in defense of the tribe; and so withheld weapons and military skills from the lower classes. Such a division of labor rendered the lower social classes dependent upon the leisure class, and so perpetuated and justified its existence for defense against natural enemies (other tribes), and against supernatural enemies (ghost and gods), because the first clergy were members of the leisure class.

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<sup>2</sup><http://www.amazon.com/Conspicuous-Compassion-Sometimes-Really-Cruel/dp/1903386349>

## 5. FACTORS AFFECTING THE GROWTH OF CONSPICUOUS CONSUMPTION

The growth of the conspicuous consumption is related to economic conditions. In the period of economic depression, conspicuous consumption changes in a negative way. One of the underlying reasons of decreases in conspicuous consumption can be the economic deficiency of the individual which depends on the economy of the nation, too.

If we want to evaluate the relationship between the economy and conspicuous consumption, we can see lots of examples in the literature. For instance, the results of the research made by a sample of 732 (with the response rate of 30%) show that there was a significant negative relationship between level of status consumption and the view that it is frivolous to buy status products in an economic downturn (Eastman 2011, p. 11).

Economic growth and increased expenditure are directly linked to each other. Data from the beginning of the economic recession in 2007 December shows that, the most current recession affected every person within the different social classes resulting by wage cuts, job losses and decreased portfolio, and house values. The nations have been impacted in an economical, psychological and social way. The people became unwilling to make big expenditures and therefore the economic recovery is retarded by their pessimism. In a such economic recession even ultra-wealthy individuals are decreasing their expenditures when the subject is luxury products (Eastman Jacqueline, Kevin 2011, p.9).

Given the affects of personality traits and demographic variables, the issue becomes even more significant for managers to apprehend their consumers' psychology and social status and so have the ability to identify the differences in consumer behavior. They should have the data about which type of consumers have more tendency to conspicuous products and services.

Interbrand, the world's leading brand consultancy agency, conducted a research to measure how conspicuous consumption is impacted by the economy. And according to results; 95% of consumers in the sample chosen would change all their structure of expenditure based on the current economic condition. And the conspicuous items in their expenditures were the items where they would cut the most (Eastman Jacqueline, Kevin 2011).

After the bankruptcy of Lehman Brothers, the wife of CEO and founder of the bank; Kathleen Fuld is seen when she exited the Hermes shop. But, the remarkable point was not that. Although her husband is no longer sitting at the CEO chair, they were, without question, able to afford that branded purchases. Here, the noteworthy point is how she exited the store. Daily Beast, the web site, says instead of carrying her purchases in Hermes's signature orange colored bags, she preferred a straight white bag.

People like to propose that they acquire only the things they want to. However, research studies show that they are more affected by what other people buy. If a person is considering to buy a house, what does she do? She looks at the houses which other people are buying and makes a comparison.

Until 2009, the snobs and their followers raised the bar; everyone made expenditure too much and the unavoidable outcome is the debt. Those years of good times passed and the nations found themselves in an overloaded debt.

In fact, we have opportunity to discipline ourselves waiting for the favorable social trends. 2009 Year is the best fitting time; the year of shifting in the opposite direction so that people are canceling their cable tv, going to public library and participating to other modest activities. If we need social support to balance our expenditures, than there wouldn't be a better year then 2009. However, this situation will not continue in the same way. Ultimately, a new social dynamic will be occurring and indulgence of consumption will be awake again. Therefore, be modest now, but in a way that is like itself; not like showing your plain white bag with a high pleasure. Otherwise, you are assumed as a prisoner of what others think (Tyler 2009, p.1-2).

“Whether or not I decide to rob a particular person dependson what they got; like if they are wearing nice clothes, jewelry, and you know, that's basically it. You can look at a person and just tell if they've got Money...” (Wright and Decker 1997).

“Neither inflation nor unemployment. The most important concern for consumers in Rio de Janerio... is violence.” (De Mello and Zillberman 2008).

Accordingly, armed robbers depend on external signs of wealth, like nice clothing, jewelry and behavior to have a view about how much cash those people have. The people predicting this thought of the criminals, behave more carefully in the consumption that signal their wealth to criminals. Individuals try to mimic the poor while responding to property crimes (Di Tella 2010).

They face a trade-off between the status and security while making an optimal conspicuous consumption. While a higher level of conspicuous consumption leads to a higher status signaling its higher wealth to the peers and also it makes the individual more attractive for the criminals.

Because allocating time to a property crime is costly, the criminals prefer to spot the wealthier person who can supply a higher level of return. These criminal activities alarm the individuals to hide their wealth from the peers, behaving in an opposite direction in the motivation of “show off” which is seen by displaying the status. Therefore, individuals have to create a balance, while deciding the optimal conspicuous consumption, between the benefit derived from having a higher status and the cost of becoming a more attractive target for the criminals (Mejia, Restrepo 2011, p.3).

## 6. EXAMPLES FOR CONSPICUOUS CONSUMPTION

When the money is not considered as an important object, we can see the enormous expenditures of wealthy elite people who use these expenditures as their new status symbols. Nowadays, tycoons are playing with their new aquatic toys; gigayachts; a boat which is over 200 feet long, dressed up the highest technology and interior design. Larry Page, the founder of CEO, acquired one these toys that has a helicopter pad and its interior design is created by one of the famous designers, Philippe Starck. Roman Abramovich, Russian tycoon, has the current largest yacht so that it has a hometheatre and also two pools.

Acquiring lots of houses is for dummies. William Koch acquired a whole village for \$3.1 million last year. Buckskin Joe was formed as a mining district and it is used as the setting for many Hollywood Westerns. And Koch, who is a fanatic of lover of the Old West, makes plans for carrying the entire buildings in the town to his private farm.

Billionaires are showing their conspicuous presence in the hotel business, too. Mexican business man Carlos Slim is making collaboration with Four Seasons to build a five-star property, which has a value of \$360 million, inside Disney World.

Fashion designer and couturier Alexander McQueen, had left \$80,000 for his dogs when he committed suicide. And Oprah Winfrey, Betty White have funds for their pets. There is a growing therapy and care industry serving the rich pets. Oprah Winfrey, in fact her dog, is a significant customer of the industry by tossing dollars for acupuncture therapy.

The sports area has been a favorable indulgence of the over-wealthy elites in developing countries. The son of the world's richest man, Carlos Slim Domit, is planning to renovate of the Mexican Formula One Grand Prix when he is not even in his twenties. The founder of Air Asia, started to race his Team Lotus in 2010 and the next year acquired British sports car producer company Caterham Cars (Nelson 2011, pp.48-49).

## **7. THE ADVANTAGES AND DISADVANTAGES OF CONSPICUOUS CONSUMPTION**

Conspicuous consumption may cause unfair income distribution. One person is becoming richer while another one is getting poorer. The tycoon has captured plenty of attention because of having superyacht Vibrant Curiosity at the same time he implemented wage cuts at his company. Inequality of income distribution increases by creating new lucrative niches. The over wealthy elites make someone richer, beside making someone poorer. When hotel business woman Leona Helmsley died in 2007, she had left \$12 million to her dog. However, this type of inheritance cases can be challenging and the court decided to cut the share to \$2 million. A new profitable niche for the lawyers occurs so that makes them rich (Nelson 2011, pp.48-49).

Human and wild life contacts have become prevalent in the national parks in U.S. This interaction occurs when visitors are feeding the animals. Some visitors, who are conspicuous ones, deliberately feed the animals, hoping to take a nice picture and then show it to their friends. This conspicuous behavior causes many problems. Since the year of 1997, 4,285 bear cases has been reported by results of \$1,635,524 financial loss, 13 injured people and 16 bears purposely killed by rangers of the national parks. For those addicted bears which are coming to picnic areas; biological costs are high. They damage their claws and teeth on cans and cars and behave less guarded of the people so that causes hitting by cars. The bears which are feeded by humans are larger, 100 pounds more than the average, reach sexual maturity fastly and have more cubs and their cubs learn the same behavior of their mothers (Williams 2002, pp.41-42).

Because of these problems that have occurred, many national parks started to implement aggressive campaigns to decrease the number of panhandling animals. Although they now have aggressive projects, in the past years they were the leading provacators of conspicuous consumption which is carrying the problems to the present.

So that, in 1891 Yellowstone national park letted the visitors watch the bears feeding in the dump in a popular program managed by rangers. Or in 1920s, Yosemite national park was feeding bears by providing 60 tons of table scraps each year so that pulling 2,000 visitors who paid 50 cents each to see them.

All these conspicuous programs destroyed the nature of wild life; causing the wild animals – human interaction. The animals terminated looking for primary nutrition resources and became addicted to secondary nutrients given by the natural parks or visitors by an outcome of conspicuous behavior (Williams 2002, p. 43).

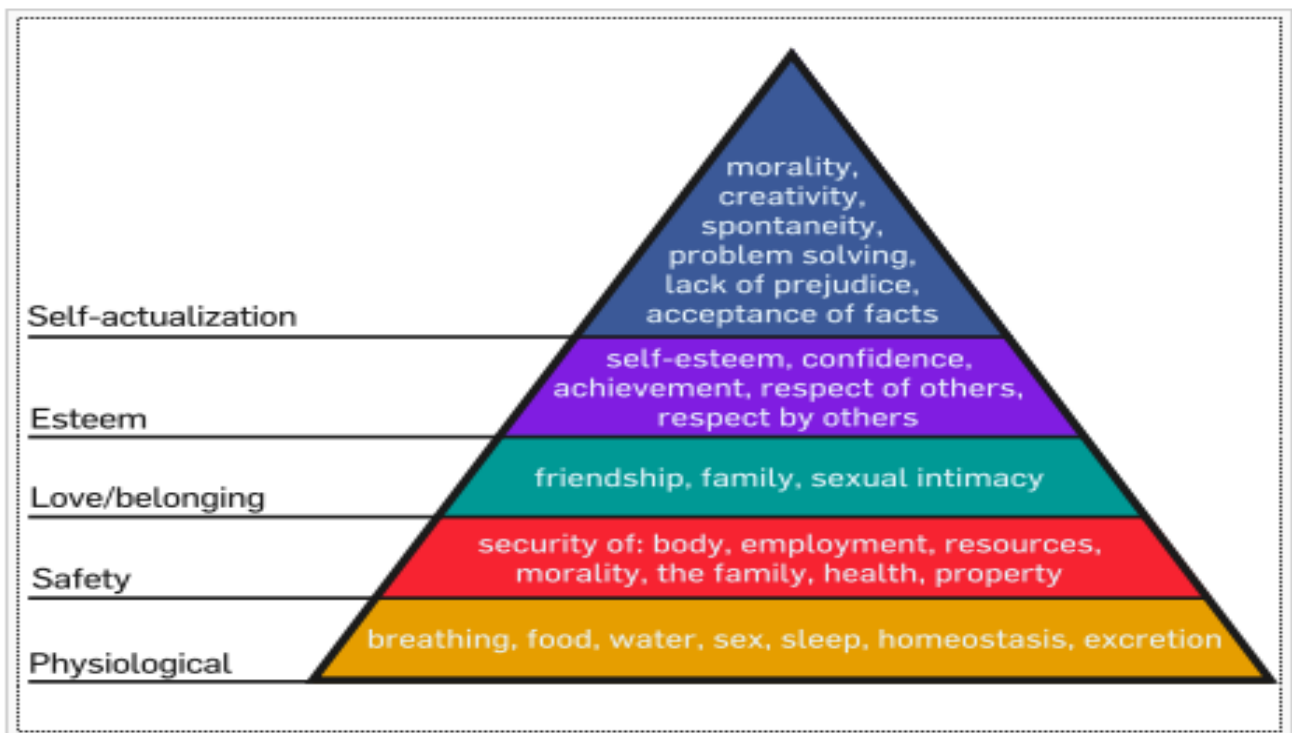
## 8. CONSUMER BEHAVIOR

### 8.1 THE FEATURES OF CONSUMER BEHAVIOR

Solomon defines consumer behavior as a behavior that covers a lot of ground: It is the study of the processes involved when individuals or groups select, purchase, use, or dispose of products, services, ideas, or experiences to satisfy needs and desire.” There are many forms of consumers so that a child begging for candy from his mother can take the form of an executive making important decisions for the large corporation. The products consumed have a wide range which consists of anything from canned peas, democracy, music, the images of singers and etc. Wants and needs change from primitive things; hunger and love, status or even self-esteem (Solomon 1994, p.7).

The consumers organize their needs and desires during the consumption process, according to Maslow’s Hierarchy Model.

**Figure 8.1: Maslow’s hierarchy model**



Source: Maslow, Abraham (1954). Motivation and Personality.



## **8.2 THE FACTORS THAT AFFECT CONSUMER BEHAVIOR**

Conspicuous consumption is not only restricted to the leisure class; it can be seen in all types of social and income groups from the wealthiest to the poorest (Wang and Chen 2004).

### **8.2.1 Cultural Factors**

#### **8.2.1.1 Culture**

Culture reflects the character of the society in terms of language, laws, food customs, art, music, products and etc. In other words, we can say it is the personality of the society. To understand the cultural effects on the consumer behavior, it is proposed to define culture as the total of some beliefs, customs, values which serve to direct the consumer behavior of the related members within the society (Schifmann and Kanuk, p. 406).

Besides the functional value, most articles started to mention about the status, symbolic value of the product, too. The overlap between the use value and conspicuous value should be taken into consideration.

For instance; the birthtray which is created by well-known artists and workshops is appreciated by art historians and shown as the most prestigious art object of the Renaissance period. Besides using them as decorative objects on the walls of the bedrooms or reception rooms to celebrate the family repute, honour, they were not only symbolic gifts given to the mothers and brides. After the baby is born, attendants bring the tray piled with fruits. It also serves for the hygiene during the birth. Most of art objects, which are mentioned about in the articles as luxuries, are functional in the house. Fine embroidered linens, elaborate tableware and expensive textiles; all these contributes to the status of the person and also they are used for personal care, health, comfort and decorative display of the house (Hohti 2010, pp. 668-669).

#### **8.2.1.2 Subculture**

Sumner (1906) defines ethnocentrism as ‘‘ a view in which one’s own group is the centre of everything, and all others are scaled and rated in reference to it’’.

The researches say that consumers living in the developed economies find their domestic products in a higher quality than the imported products while the consumers living in the developing countries regard the imported products as more quality products than their domestic products.

These ethnocentric attitudes affect the purchase preferences. The effect of ethnocentrism on will to buy will be different on these developed and undeveloped countries. The difference is more clear when the import is about conspicuous consumption because the consumers in developing countries find imported products as status symbols. The negative effect of consumer ethnocentrism on tendency to buy imported products from developed countries will have interaction with the positive effect of having status symbol, brand image. Use and symbolic values which consumers expect from the imported products will struggle with their ethnocentrism (Ranjbarian, Rojuee, Mirzaei 2010, p.374).

### **8.2.1.3 Social Class**

Reputable life styles, cultural awareness and display of material objects in a conspicuous way is not only restricted to the elites who have the pecuniary strength. Social and economic capability to buy a wide range of products, and then display them in the most public places of the home, has broadly existed in the society. Sienese shoemakers, barbers, secondhand dealers may try to emulate to higher rank's life style and can have access to that class. However, the lower classes such as small scale artisans and shop keepers were restricted at the acquisition of the most expensive, conspicuous objects, furnitures and clothes because of the cost, cultural access and sumptuary laws regulated by wealthy elites (Hohti 2010, pp. 669-670).

## **8.2.2 Social Factors**

### **8.2.2.1 References Groups**

Husic and Cicic say that: "by using status goods as symbols, individuals communicate meaning about themselves to their reference groups." The will for having or creating status includes conspicuous consumption items show status to the individual and also to surrounding significant other people (Eastman, Goldsmith, and Flynn 1999, p.43).

### **8.2.2.2 Roles And Status**

There is a difference between the status and social status so that;

“Researchers often measure social class in terms of social status; that is, they define each social class by the amount of status the members of that class have in comparison with members of other social classes. And the status is frequently thought of as the relative rankings of members of each social class in terms of specific status factors” (Schifmann, Kanuk, p.358).

Conspicuous consumption provides the evidence for wealth so that the status shows itself. Status gives power to the individual by having envy of others (Veblen 1899). This type of consumption provides the satisfaction from others’ envy to wealth shown. Here, the utility or value of the conspicuous product is ignored by the individual (Mason, R.S. 2001, pp. 26-39).

### **8.2.2.3 Lifestyle**

One of the trends of the last years is the healthy life style. We see the traces of this trend especially in the nutrition area. The chefs of reputable restaurants, which are placed in Zagat restaurant surveys, and know this trend, apply high prices for their hormone-free, organic, products grown in small farms, heirloom, slowfood.

One another reason of implementation of high prices is the cost. The chefs have to increase their budget for scarce variety of beef grown only by Shaker or the cow which has been massaged, had Tantric sex, all these provide the meat to be more healthy and delicious, before cutting with love (Hamer, Furness & Caldow 1991).

### **8.2.2.4 Personality**

The concept of personality comes from the fascinating spectrum of human individuality. People differ themselves meaningfully in the ways they think, feel, and act. These all behavior patterns help us to define one’s identity. According to a group of theorists; all of us are in some ways like no other person, like some other people and like all other people who have lived in the past or will exist in the future (Kluckhohn & Murray 1953).

The concept of personality also relies on the observation made so that the person seems to behave in a consistent way over time and across different situations. This consistency forms the notion of *personality traits* that characterize a person's customary ways of reaction to her or his environment. Personality becomes more stable once we have entered to adulthood while there is already a modest stability at the transit from childhood personality to adult personality (Caspi & Roberts 1999).

If we combine the notions of consistency and individuality, the personality definition is comprised of *the distinctive and relatively enduring ways of thinking, feeling and acting that characterize a person's responses* to dynamic environmental situations. We should take into account that this definition is not only about the personal characters but also about the situations. So, 'person by situation' research made by theorists is the effort for understanding the distinctive behaviors of individuals (Robins, R.W., Fraley, R.C., & Kruger, R.F. 2007).

All of us have contacted with individuals who behave in different characteristic ways; some of them are hardworking, some mean, some reserved or some happy. Personality trait theories fit this commonsense view. These traits are the factors that underlie the patterns of behavior and are responsible for them. They create physical states which are counted as causes of our behaviors (Carlson, Heth, Miller, Donahoe, Buskist, Martin, p.440).

In this context, it is reasonable to investigate the change in personality traits depending on conspicuous consumption.

### **8.2.3 Demographic Factor Age and Its Impact on Conspicuous Consumption**

Conspicuous consumption may evolve in a sexual selection tactic. Sexual selection is an item of natural selection proposed by Darwin(1871) so that natural selection favors characteristics that help survival. It was firstly unclear to understand why some animal traits have no function, they even prevent survival. Darwin reasoned that these conspicuous traits are selected to attract the opposite sex like peacocks attract the peahens with their unfunctional but conspicuous tails. And he observed that these conspicuous features are found in the males rather than in the females. This difference is an outcome of parentel investment explained by Trivers(1972). Parentel investment is how much the parents contribute to production of viable offspring.

As mentioned before, conspicuous features are seen in species in which one sex, generally in the males, provides a low level in parental investment. For instance; after the peacock mated with a peahen his investment is completed and he leaves her alone with all the remaining parental investment. But, there are also many other species which have dominancy of male investment in offspring and a more fair division of labor between the male and the female. In great skuas (a large sea bird) the male continues his investment after the sexual intercourse by feeding his offspring and female. They are monogamous, do not have short term relationships; non-investing reproductive relationships. However, the chicks do not survive long because of not receiving investment from their partners (Hamer, Furness, & Caldow 1991).

Accordingly, “such monogamous and high-male investing species are less dominated in conspicuous traits and ostentatious courtship displays” (Hooper. P. L., & Miller, G.F. 2008, pp.53-69).

When short-term (non-investing) mating is desired, we see individuals searching mates to display peacock-like conspicuous features, traits which other sex sees desirable. “Humans generally lie somewhere in between the extremities of non-investing, non-monogamous way of the peacock, and ultra-investing monogamous way of great skua” (Li & Kenrick 2006).

While peahens are looking for the most brilliant tailed peacocks, women may use conspicuous features to evaluate the males for short-term relationship. These features usually consist of morphological ones that are related to androgen levels, such as voice pitch and masculine face structure. These traits are impressive in short-term partners because they give information about difficult to observe traits related to short-term mating (Little, Jones, Penton-Voak, Burt, & Perrett, 2002).

Conspicuous consumption provides an easily observation of underlying qualities. When the males spend money conspicuously, this provide information about a man’s underlying qualities; his intelligence, aggression and protect expensive resources from other competitors.

One of the reasons of women searching for short term relationships can be provision of economic benefits. The men who make conspicuous consumption and giving extravagant presents during the

period of courtship may show a willingness to give economic benefits to women in exchange of sex (Sundie, Griskevicius, Vohs, Kenrick, Tybur, Beal 2011, pp. 8-9).

## 9. THE FIVE FACTOR MODEL (OCEAN)

In which ways do people show personality differences? The aims of trait theorists are to describe the main classes of behavior which explain personality, to develop ways of measuring individual differences in personality traits and then to understand, predict the person's behavior by using these measures.

‘Personality traits are relatively stable cognitive, emotional, and behavioral characteristics of people that help establish their individual identities and distinguish them from others.’

Trait theorists have divided the personality pie to smaller or bigger pieces. For instance; the leading trait theorist Raymond B. Cattell (1965) asked thousands of respondents to rate themselves on various, huge amount of behavioral characteristics. After he gathered this mass of data he used factor analysis, he formed 16 behavior factors. He developed a widely used test called Personality Factor Questionnaire to measure personality differences based on these different dimensions (Passer & Smith 2007, pp.470-471).

However, other trait researchers defend that these 16 dimensions are much more than we need to describe personality. Their factor analysis is based on research studies that propose that five higher order factors are enough to capture the basic structure of personality (McCrae, R.R., & Costa, P.T. 2003).

The Five Factor Model says that the personality has five primary dimensions which are conscientiousness, extraversion, agreeableness, neuroticism and openness.

The acronym used OCEAN corresponds to Openness, Conscientiousness, Extraversion, Agreeableness and Neuroticism. Supporters of Five Factor Model believe that when the individual is placed at a certain point on each of these dimensions by tools of psychological test or by making observations of behavior, the root of her or his personality has been found (McCrae, R.R., & Costa, P.T. 2003).

## 9.1 OPENNESS TO EXPERIENCE

Openness dimension is about a general appreciation for adventure, art, imagination, unusual ideas and variety of experience. It involves interest in aesthetic values, vivid imagination, intellectual curiosity, seeking for variety, and attentiveness to inner feelings. This dimension distinguishes intellectually curious, sensitiveness to art, beauty individuals, who are open to experience, from the individuals who are conventional thinking ones. The people who are open to experience are, compared to closed ones, are more aware of their inner feelings and more creative. They tend to hold unusual ideas and unconventional beliefs. Also, the open cognitive style enables the individual to be able to think in abstractions and symbols. Respondents who have low score on openness dimension tend to have more stereotype, traditional interests. They choose the straight, plain, not detailed subjects over the ambiguous, subtle and complex subjects. They may find sciences and arts uninteresting. The people who are closed to experience, do not prefer to try the things that they are not used to. They prefer familiar things in their lives rather than new, unusual ones; they have resistance to change and that's why they are called conservative people (McCrae, R. R. & Costa, P.T. 1987, pp. 81–90).

Some sample openness items are shown below:

- i. I am full of ideas.
- ii. I have a vivid imagination.
- iii. I use difficult words.
- iv. I have a rich vocabulary.
- v. I am quick to understand things.

(International Personality Item Pool, <http://ipip.ori.org/> )

## 9.2 CONSCIENTIOUSNESS

Conscientiousness is to have the tendency to display self-discipline, act robust and aim for achievement against expectations coming from other people's thoughts (Psychology & Psychiatry Journal, Research Reports on Science from Michigan State University Provide New Insights, 2012).



Some sample conscientiousness items are shown below:

- i. I pay attention to details.
- ii. I am always prepared.
- iii. I am exacting in my work.
- iv. I like order.
- v. I get chores done right away.

(International Personality Item Pool, <http://ipip.ori.org/> )

### **9.3 EXTRAVERSION**

Extraversion and introversion are observed on a single dimension. On this dimension, getting high score on one requires to get low score on the other one. Carl Jung, who popularized the terms of extraversion and introversion, offer a different view and say that every individual has both an introverted side and an extraverted side so that one side is more dominant than the other side. Carl Jung defined extraversion as "an attitude type characterised by concentration of interest on the external object" while defined introversion as an "attitude-type characterised by orientation in life through subjective psychic contents". He ignores the interpersonal relations in his definitions of extraversion and introversion (Jung 1995, pp. 414–415).

Hans Eysenck, one of the researchers in the area of personality, distinguishes extraversion and introversion by differences in sensitivity to emotional and physical stimulation. He claims that extrovert people are less sensitive to arousal and have tendency to seek out more stimuli while introvert people tend to be overwhelmed by external stimuli because of being more sensitive to cortical arousal (Gale Encyclopedia of Childhood & Adolescence, Gale Research 1998).

Some sample extraversion items are shown below:

- i. I am the life of the party.
- ii. I like to draw attention to myself.
- iii. I feel comfortable around people.
- iv. I start conversations.
- v. I talk to a lot of different people at parties.

(International Personality Item Pool, <http://ipip.ori.org/> )

## **9.4 AGREEABLENESS**

They are generally considerate, friendly, generous, helpful, and willing to compromise their interests with others. Agreeable people also have an optimistic view of human nature.

This traits need to be tended for cooperative, compassionate, instead of being suspicious, antagonistics towards other people. It measures the ability for the social harmony. They are friendly, generous, considerate and have interest about other people's moods.

However, these traits do not support being a leader. It is positively correlated with team work abilities by having interaction within the group whereas they are negatively correlated with leadership trait (Lim, B., Ployhart, R. E. 2004,pp.610–621).

Some sample agreeableness items are shown below:

- i. I have a soft heart.
- ii. I feel others' emotions.
- iii. I sympathize with others' feelings.
- iv. I make people feel at ease.
- v. I take time out for others.

(International Personality Item Pool, <http://ipip.ori.org/> )

## **9.5 NEUROTICISM**

These problems in emotional regulation can diminish the ability of a person scoring high on neuroticism to think clearly, make decisions, and cope effectively with stress.

Some sample neuroticism items are shown below:

- i. I have frequent mood swings.
- ii. I get stressed out easily.
- iii. I often feel blue.
- iv. I am easily disturbed.
- v. I get upset easily.(International Personality Item Pool, <http://ipip.ori.org/> )

## **10. PSYCHOLOGICAL FACTOR**

The link between the conspicuous consumption and psychological factors is explained in detailed as follows:

### **10.1 MOTIVATION (THE MOTIVATION “SHOW OFF”)**

“Motivated by a desire to impress others with their ability” to pay particularly high prices for prestige products, conspicuous consumers may be inspired by the social rather than the economic or physiological utility of merchandise (Mason, 1981).

Conspicuous consumption is a motivation in itself. It is an individual difference factor that explains an individual’s motivation to consume for status. It is “the motivational process by which individuals strive to improve their social standing through the conspicuous consumption of consumer products that confer and symbolize status both for the individual and surrounding significant others” (Kilsheimer 1993, p.341; Eastman, Goldsmith, and Flynn 1999, p.41).

Truong(2008) says that conspicuous consumers being motivated by appearance and image. Also, he says the status is about the consumers being motivated for internal factors such as self-esteem and self-respect or external factors such as other people’s envy and approval.

### **10.2 PERCEPTION**

Jack Trout defines the marketing in his book’ as a war of perceptions; not of the products. Marketing is the process of evaluating these perceptions of consumers’ (Trout 2007 ).

The motivations at the backstage of conspicuous consumptions are the same all around the world (functional, financial, personal and social indicators of luxury value perceptions) and this madness of conspicuous consumption, global trend, is a part of global consumer culture (Eng and Bogaert 2010, p.60).

## **11. ATTITUDES TOWARDS LUXURY GOODS**

Attitudes about conspicuous consumption are related to the display of wealth and the symbolic meanings from one's social position and identity (Eng and Bogaert 2010).

For managers of luxury brands in case of economic crisis, the results suggest that although the status market may be smaller, status consumers are brand conscious and not price conscious. Consumers, however, may also feel that inexpensive products and discount stores can meet their status needs (Jacqueline K. Eastman, Kevin L. Eastman 2011, p.17).

### **11.1 PERCEPTION OF PRICE**

Yasin(2009) makes the definition of price conscious consumers as people who follow sale campaigns and promotions. The researches show that price factor is significant for status products because; firstly, conspicuous consumers have the purchasing power to afford a high price to consume luxury products so that this ability is a display of wealth(Eastman,...1999) and secondly, price is a indicator of prestige to position the brand (Truong,...2008).

In the article of Eastman's, it is found that there is a negative relationship between the conspicuous consumption and price consciousness so that conspicuous consumers do not take into account the high prices while making invidious consumption (Jacqueline K. Eastman, Kevin L. Eastman 2011, p.11).

### **11.2 PERCEPTION OF QUALITY**

We can put the 'perception of quality' into value consciousness construct so that it enables us to have a comprehensive understanding while constructing a relationship between value consciousness and conspicuous consumption.

Lichenstein, Netemeyer, and Burton (1991) describes value consciousness as "a concern for paying low prices, subject to some quality constraint" and it is different from having a tendency for coupon.

Egol et al. (2010, p.2) defines value consciousness as “A new frugality, characterised by a strong value consciousness that dictates trade-offs in price, brand, and convenience, has become the dominant mind-set among consumers in the United States.”

Phau and Teah (2009) say that there is a prominent relationship between level of value consciousness and tendency for buying fake luxury products so that it means value conscious consumers can see the fake products as a better deal than the actual status branded products. So that, the statement of ‘there is a negative relationship between conspicuous consumption and value consciousness.’ is proposed.

Conspicuous consumers want to buy and use the products which are not easily reached to (having no convenience), can not be afforded by everybody (high priced) and having status, brands (high quality). Incidentally, it is necessary to mention about the price and quality relationship to understand the giving ‘high price’ to conspicuous products.

### **11.3 PERCEPTION OF PRICE & QUALITY RELATIONSHIP**

Joel Stein found that the restaurants which are placed in Zagat restaurant surveys, raised their price of average restaurant meal by about 3.8%. The chef of Zagat’s number 1 restaurant Le Bernardin in New York City, Eric Ripert, says that: “Nobody ever complains about it”. Or the chef of BLT steak restaurants in N.Y.C and Washington serves a piece of steak for 92\$ and he is sure about to continue on these prices. He says: “I could raise it a little bit more” without having loss in the number of diners.

The consumers are ready to give higher price for higher quality rated restaurants (Stein 2007, p. 118).

### **11.4 CONSUMER’S PERCEIVED RISK TO CONSPICUOUS CONSUMPTION**

In general, risks may occur with the product being bought are categorized as physical risk, financial risk, performance risk and social risk.

Physical Risk is the risk to self and other people by the product bought by posing.

Financial Risk is the risk that the product bought will not worth according to its cost.

Performance Risk is the risk that the product bought will not performed as expected.

Social risk is the risk which a weak product choice may create social fear or embarrassment (Schifmann and Kanuk 2007, p. 187).

And among these risks, the social risk is the one which has effect on conspicuous consumption.

Tossing dollars around like confetti; this national sport is out at these times of 2009. We do not want to be engaged to memories of the good flying economy which ended into such failure. Behind that there is the motive of fear of social non-acceptance.

Our propensity is not limited to spending. Research studies show that smoking, obesity and our moods are infectious at the social level, being below our conscious awareness. However, we are especially subject to social influences when making purchasing decisions. Therefore, the shops and the manufacturers work in collaboration to break our discipline by doing the social pressure. One solution to rebel against these powerful social influences is to try spotting and then counteracting them. However, it is not so easy. It is difficult to drive the street by weary Toyota while all the people around you is leasing a BMW (Cowen 2009).

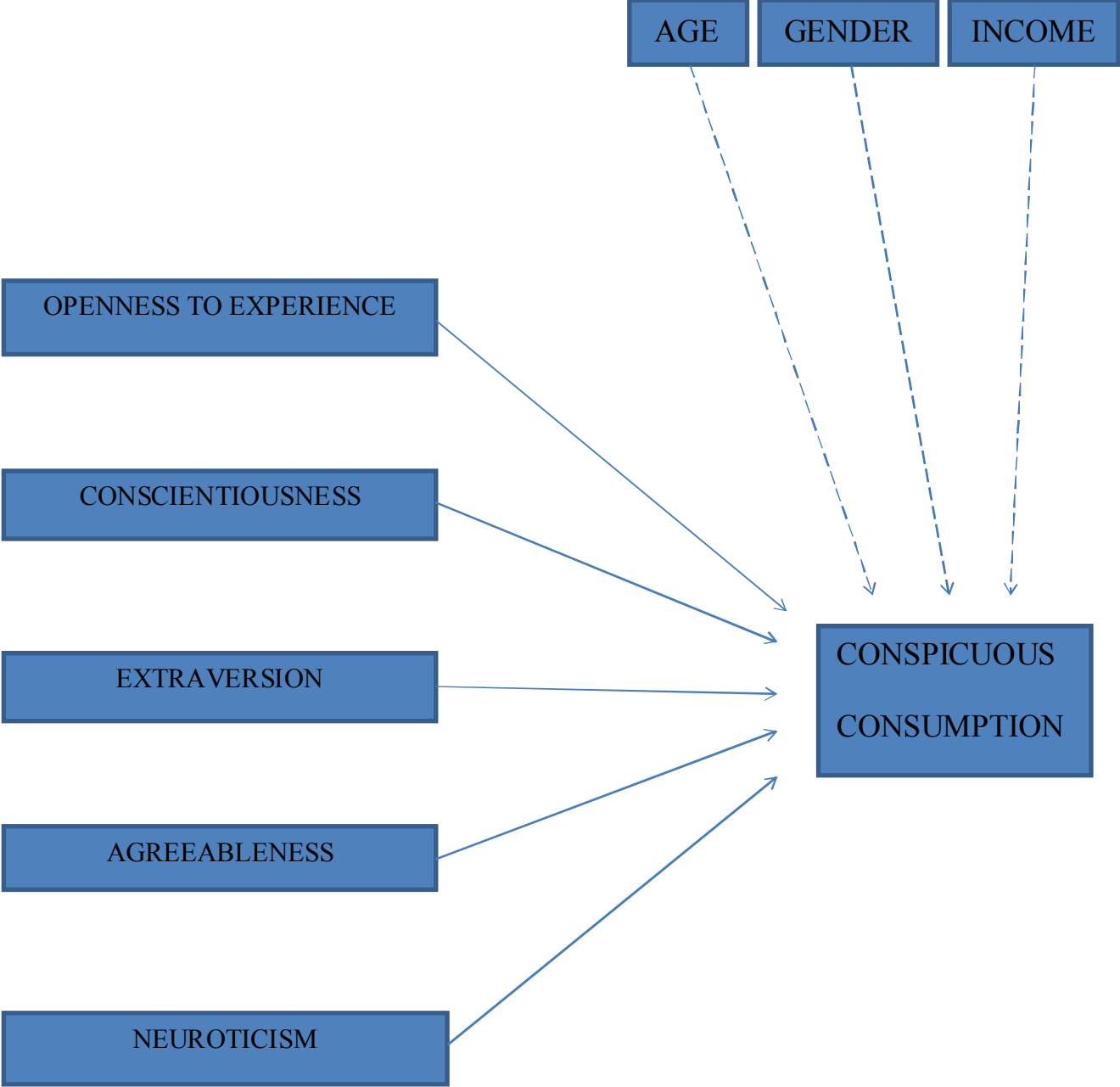
## **12. RESEARCH METHODOLOGY AND FINDINGS**

### **12.1 OBJECTIVE OF THE STUDY**

In the related previous chapters, the personality factors and conspicuous consumption factor is explained. This chapter gives the methodology used and findings of the study so that enables us to have an understanding of the aim for measuring personality traits shown in the conspicuous consumption behavior. So that the aim of the study can be explained as learning whether there is a relationship or not between the personality traits and conspicuous consumption. The demographic factors (age, gender, income) are held constant to test the relative impact of personality factors on the conspicuous consumption. And then, they were subject to measure as independent variables in the model, too.

The model proposed and subject to change is as follows;

**Figure 12.1: The proposed model**





## **12.2 RESEARCH INSTRUMENT AND DATA COLLECTION**

### **12.2.1 Sample of the Research**

The sample is chosen from the potential consumers who live in Turkey. So that the method used is convenience sampling. In order to measure consumer's tendencies towards conspicuous consumption, a survey was conducted through the internet. The questionnaires are distributed, by web links on Facebook, to the selected individuals. The sample size was 196.

The survey lasts at least 2 and at most 4 minutes.

### **12.2.2 Research Instrument**

Survey method is preferred and the questions of the survey are generated based on the literature findings. The related survey consists of three parts which are demographic (age, gender, income level), personality and conspicuous consumption. In the second part, the statements of attitudes, beliefs, behaviors are used to measure the personality traits of people.

## **12.3 DATA ANALYSIS**

After the respondents' answers are gathered, all the data has been entered to the computer and then analysed by SPSS. Before evaluating the impact of the big 5 personality factors on conspicuous consumption, the validity and reliability of these dimensions is measured to conduct a robust research so that reliability analysis is done beside the factor analysis. Factor analysis is used for determination of which statements belong to which dimension; personality trait. And lastly multiple regression analysis, independent t-test and ANOVA test is implemented.

## **12.4 FINDINGS OF THE STUDY**

### **12.4.1 Factor Analysis**

Factor Analysis is made for all the statements related to big 5 personality traits and the statements related to conspicuous consumption.

KMO value states whether our data are appropriate or not for the measurement in Factor Analysis. And if this value is higher than 0.80, it shows the variables are appropriate for the factor analysis in a perfect level.

At the Table 12.1, KMO: 0,805 is bigger than 0,80 so that the data are appropriate in a perfect level for the measurement in Factor Analysis.

**Table 12.1: KMO and Bartlett's test**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		,805
Bartlett's Test of Sphericity	Approx. Chi-Square	2,779E3
	df	435
	Sig.	,000

The 7 factors are shown with the factor loading values in the Table 12.2. The statements which have the biggest values are placed under the belonging related factor. And according to the distribution of statements to the related factors, the factors have been named.

In the table, we see conscientiousness statements which are divided to different factors related to their factor loading values so that the following names have been given: planned for factor 1 and perfection for factor 2.

Planned named factor's items are: I follow a schedule. I like order. I get chores done right now.

Perfection named factor's items are: I am exacting in my work. I pay attention to details.

So, there are 7 factors including agreeableness, conspicuous consumption, neuroticism, openness to experience, extraversion, planned and perfection.

**Table 12.2: Rotated component matrix**

	Component						
	1	2	3	4	5	6	7
I feel others' emotions.	<b>0,84</b>	-,098	-,014	,123	,055	,039	,117
I have a soft heart.	<b>0,76</b>	-,073	,090	,043	,025	,135	,008
I sympathize with others' feelings.	<b>0,74</b>	-,164	,079	,162	,057	-,057	-,011
I make people feel at ease.	<b>0,74</b>	-,066	,009	,244	,156	,197	,104
I take time out for others.	<b>0,72</b>	-,086	,083	,140	,091	,175	,095
I would pay more for a product if it had status.	-,184	<b>0,86</b>	,150	-,009	,098	,066	-,021
I am interested in new products with status.	-,143	<b>0,86</b>	,194	,025	,075	,100	,011
I would buy a product just because it has status.	-,089	<b>0,84</b>	,180	,048	,135	,046	-,057
The status of a product is irrelevant to me.	-,147	<b>0,72</b>	,004	-,067	,015	-,038	-,131
A product is more valuable to me if it has some snob appeal.	,047	<b>0,56</b>	-,008	-,138	,096	-,046	,253
I have frequent mood swings.	,060	,032	<b>0,82</b>	-,050	,092	-,056	,046
I get stressed out easily.	,082	,159	<b>0,8</b>	-,017	-,123	,011	,098
I often feel blue.	-,108	,101	<b>0,76</b>	-,075	-,075	-,048	,195
I get irritated easily.	,021	,145	<b>0,71</b>	,017	,046	,038	-,078
I get upset easily.	,286	,023	<b>0,71</b>	-,152	-,036	,153	-,204
I am full of ideas.	,016	-,025	-,085	<b>0,78</b>	,146	,059	-,009
I have a rich vocabulary.	,226	-,115	-,093	<b>0,77</b>	,175	,052	-,143
I use difficult words.	,156	,044	,112	<b>0,7</b>	,098	,035	,150
I have a vivid imagination.	,105	-,062	-,022	<b>0,7</b>	,156	-,184	,110
I am quick to understand things.	,183	,010	-,170	<b>0,7</b>	,109	,032	,092
I talk to a lot of different people at parties.	,095	,047	,008	,174	<b>0,84</b>	,004	,010
I start conversations.	,098	,100	,007	,175	<b>0,8</b>	,018	,062
I am the life of the party.	-,062	,039	,031	,199	<b>0,79</b>	,173	-,021
I feel comfortable around people.	,183	,132	-,171	,074	<b>0,69</b>	,062	,178
I like to draw attention to myself.	,114	,389	,076	,102	<b>0,55</b>	-,117	,346
I follow a schedule.	,056	,075	,036	,176	,078	<b>0,82</b>	-,025
I like order.	,161	,041	-,052	-,060	-,028	<b>0,79</b>	,315
I get chores done right away.	,192	-,018	,050	-,157	,105	<b>0,75</b>	,101
I am exacting in my work.	,134	-,021	,105	,073	,238	,247	<b>0,74</b>
I pay attention to details.	,194	-,025	-,012	,331	,088	,389	<b>0,58</b>

Extraction Method: Principal Component Analysis.  
 Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 7 iterations.

At the end of factor analysis, the reliability of each factors should be found. While conducting reliability analysis Cronbach Alpha value will be used to measure the total reliability level of all the statements related to the factor. And while the value is over 0.70, the reliability is high.

So, each factors' reliability results are shown as follows:

### 12.4.2 Reliability Analysis

#### 12.4.2.1 Reliability of Agreeableness

The factor's Cronbach's Alpha value (0.859) is bigger than 0.70 which means the factor is reliable.

**Table 12.3: Reliability statistics of agreeableness factor**

Cronbach's Alpha	N of Items
.859	5

The statements' Cronbach's Alpha values should also be analyzed to see whether any of them decrease or not the reliability of the factor. As shown below, all values of the related statements are lower than Cronbach's Alpha of the factor (0.859). If any of them is eliminated, the reliability of the factor decreases. There's no statement which is damaging the consistency among the statements. So, 5 items protect their places.

**Table 12.4: Item-total statistics for the consistency within the statements of agreeableness factor**

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
I have a soft heart.	16,2041	8,461	,616	,845
I take time out for others.	16,2245	8,513	,656	,835
I feel others' emotions.	16,1020	7,692	,756	,809
I make people feel at ease.	16,1582	8,185	,718	,820
I sympathize with others' feelings.	16,3316	8,007	,643	,840

### 12.4.2.2 Reliability of Openness to Experience

The factor's Cronbach's Alpha value (0.816) is bigger than 0.70 which means the factor is reliable.

**Table 12.5: Reliability statistics of openness to experience factor**

Cronbach's Alpha	N of Items
,816	5

As shown below, all values of the related statements are lower than Cronbach's Alpha of the factor (0.816). If any of them is eliminated the reliability of the factor decreases. So, it is reasonable not to eliminate any of them. There's no statement which is damaging the consistency among the statements so that these 5 statements protect their places.

**Table 12.6: Item-total statistics for the consistency within the statements of openness to experience factor**

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
I have a rich vocabulary.	15,1071	8,055	,704	,752
I have a vivid imagination.	14,9490	8,100	,593	,784
I am quick to understand things.	14,7959	8,789	,604	,782
I use difficult words.	15,7194	8,121	,522	,809
I am full of ideas.	15,2449	7,940	,635	,770

### 12.4.2.3 Reliability of Extraversion

The factor's Cronbach's Alpha value (0.839) is bigger than 0.70 which means the factor is reliable.

**Table 12.7: Reliability statistics of extraversion factor**

Cronbach's Alpha	N of Items
,839	5

As shown below, all values of the related statements are lower than Cronbach's Alpha of the factor (0.839). If any of them is eliminated the reliability of the factor decreases. So, it is reasonable not to eliminate any of them. So, there is a consistency among the related 5 statements.

**Table 12.8: Item-total statistics for the consistency within the statements of extraversion factor**

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
I am the life of the party.	12,8163	12,510	,646	,805
I start conversations.	12,3980	12,446	,712	,788
I talk to a lot of different people at parties.	12,3112	11,918	,717	,785
I feel comfortable around people.	11,9643	13,399	,609	,816
I like to draw attention to myself.	12,4694	12,702	,544	,836

#### 12.4.2.4 Reliability of Neuroticism

The factor's Cronbach's Alpha value (0.839) is bigger than 0.70 which means the factor is reliable.

**Table 12.9: Reliability statistics of neuroticism factor**

Cronbach's Alpha	N of Items
,837	5

All the values of the related statements are lower than Cronbach's Alpha of the factor (0.837). If any of them is eliminated the reliability of the factor decreases. There's no statement which is damaging the consistency among the statements. So, 5 items protect their places.

**Table 12.10: Item-total statistics for the consistency within the statements of neuroticism factor**

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
I get irritated easily.	12,1582	14,534	,577	,822
I often feel blue.	12,8622	15,053	,615	,811
I get stressed out easily.	12,1888	13,918	,715	,784
I have frequent mood swings.	12,4184	13,557	,685	,791
I get upset easily.	12,1071	14,701	,610	,812

#### 12.4.2.5 Reliability of Conspicuous Consumption

The factor's Cronbach's Alpha value (0.854) is bigger than 0.70 which means the factor is reliable.

**Table 12.11: Reliability statistics of conspicuous consumption factor**

Cronbach's Alpha	N of Items
,854	5

Except the value of the last placed statement (0.885), all the values of the related statements are lower than Cronbach's Alpha of the factor (0.854). However, the statement was not eliminated because of having not much difference between its value and factor's value.

So, the consistency among the items is still valid.

**Table 12.12: Item-total statisticsfor the consistency within the statements of conspicuous consumption factor**

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
I would buy a product just because it has status.	11,1231	13,531	,773	,795
I am interested in new products with status.	10,7231	13,232	,809	,785
I would pay more for a product if it had status.	10,9692	13,298	,818	,783
The status of a product is irrelevant to me.	10,6000	14,808	,561	,852
A product is more valuable to me if it has some snob appeal.	11,0051	16,675	,404	,885

#### 12.4.2.6 Reliability of Conscientiousness (Planned + Perfection)

##### 12.4.2.6.1 Reliability of Planned

Because Cronbach’s Alpha value (0.765) of the Planned named factor is bigger than 0.70, the factor is found as reliable.

**Table 12.13: Reliability statistics of planned factor**

Cronbach's Alpha	N of Items
,765	3

Elimination of any of the statements causes the reliability of the factor to decrease as shown by the Cronbach values of these statements. So, I didn’t eliminate any of them to protect the consistency.

**Table 12.14:Item-total statisticsfor the consistency within the statements of planned factor**

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
I get chores done right away.	7,3061	3,711	,570	,731
I follow a schedule.	6,9796	4,574	,572	,714
I like order.	6,6327	4,100	,668	,608



### 12.4.2.6.1 Reliability of Perfection

Because Cronbach's Alpha value (0.620) of the Perfection named factor is smaller than 0.70, the factor is not reliable. So, I eliminated this factor and its related statements. And then I named the planned factor as conscientiousness, again.

**Table 12.15: Reliability statistics of perfection factor**

Cronbach's Alpha	N of Items
,620	2

**Table 12.16: Item-total statistics for the consistency within the statements of perfection factor**

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
I pay attention to details.	3,8571	1,169	,458	. <sup>a</sup>
I am exacting in my work.	4,2092	,792	,458	. <sup>a</sup>

At first, I run factor analysis and then reliability analysis. I eliminated the unreliable factor; Perfection by reliability analysis and run factor analysis again. All the results that I previously had with factor analysis are now valid, too. KMO value is again bigger than 0.50 so that says the correlation between the variables are appropriate to test by factor analysis. All the MSA values of the related items of 6 total factors are bigger than 0.70. So, all the items are appropriate at a perfect level to test by on factor analysis.

**Table 12.17: Total variance explained**

Component	Initial Eigenvalues		
	Total	% of Variance	Cumulative %
1	5,206	18,594	18,594
2	4,316	15,414	34,008
3	3,319	11,853	45,861
4	2,173	7,761	53,622
5	1,614	5,764	59,386
6	1,409	5,033	64,419
7	,959	3,426	67,845
8	,813	2,904	70,750

### 12.4.3 Multiple Regression Analysis

By regression model the impact of the independent variables; agreeableness, extraversion, openness to experience, neuroticism, conscientiousness on the dependent variable; conspicuous consumption can be seen as well as the correlations between the each variables in Correlation table as an outcome of regression analysis is apparent.

The same results about the significance and direction of the correlations come from Correlations table (reliability analysis) and also from the Coefficients table as an outcome of Multiple Regression analysis.

At the Correlations table below we can see the bivariate correlations. By looking at significance levels of the variables we can say whether there is a statistically significant relationship or not. And also Pearson Correlation determines the direction of the correlation.

**Table 12.18: Correlations**

		CONSPICIOUSv02	AGREABLENESSv02	NEUROTICISMv02	OPENNESSv02	EXTRAVERSIONv02	CONSCIENTIOUSNESSv02
Pearson Correlation	CONSPICIOUSv02	1,000	-,228	,233	-,077	,252	,957
	AGREABLENESSv02	-,228	1,000	,113	,346	,215	-,263
	NEUROTICISMv02	,233	,113	1,000	-,110	-,004	,217
	OPENNESSv02	-,077	,346	-,110	1,000	,366	-,095
	EXTRAVERSIONv02	,252	,215	-,004	,366	1,000	,209
	CONSCIENTIOUSNESSv02	,957	-,263	,217	-,095	,209	1,000
Sig. (1-tailed)	CONSPICIOUSv02		,001	,001	,142	,000	,000
	AGREABLENESSv02	,001		,058	,000	,001	,000
	NEUROTICISMv02	,001	,058		,064	,478	,001
	OPENNESSv02	,142	,000	,064		,000	,093
	EXTRAVERSIONv02	,000	,001	,478	,000		,002
	CONSCIENTIOUSNESSv02	,000	,000	,001	,093	,002	
N	CONSPICIOUSv02	195	195	195	195	195	195
	AGREABLENESSv02	195	195	195	195	195	195
	NEUROTICISMv02	195	195	195	195	195	195
	OPENNESSv02	195	195	195	195	195	195
	EXTRAVERSIONv02	195	195	195	195	195	195
	CONSCIENTIOUSNESSv02	195	195	195	195	195	195

Adjusted R Square (0.916) indicates that: dependent variable; conspicuous consumption is explained by the independent variables; big 5 personality traits by at rate of % 91.6. And Sig. F

Change (0.000) is lower than 0.05 so that the explanation (91.6) in the dependent variable is statistically significant.

**Table 12.19: Model summary for explanation of the dependent variable by the independent variables**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.957 <sup>a</sup>	.917	.916	1,344.27	.917	2122.687	1	193	.000	
2	.959 <sup>a</sup>	.919	.919	1,325.02	.003	6.647	1	192	.011	2.358

The Table 12.20, gives us the existence of related relationships between the independent variables and the dependent variable.

Therefore, there is a positive relationship between agreeableness and conspicuous consumption at a rate of % 0.9 but the relationship is not significant because of having the significance value (0.783) bigger than 0.05.

1 unit of change in neuroticism impacts conspicuous consumption at a rate of % 2.7 in a positive direction. However, its significance (0.213) is lower than 0.05 so there is no a statistically significant relationship between them.

Openness impacts the dependent variable at a rate of % 1 in a negative direction. But the significance level is 0.749. Therefore there is not a statistically significant relationship among them.

There is a statistically significant relationship between extraversion and conspicuous consumption in a positive direction. Extraversion impacts conspicuous consumption at a rate of % 6.1. And its significance level is 0.016 is lower than 0.05 so that shows the relationship is meaningful.

Lastly, conscientiousness is in a statistically significant relationship with conspicuous consumption in a positive direction. It impacts the dependent variable at a rate of % 140.8 and has a significance value of 0.000 lower than 0.05 which shows the relationship is meaningful.

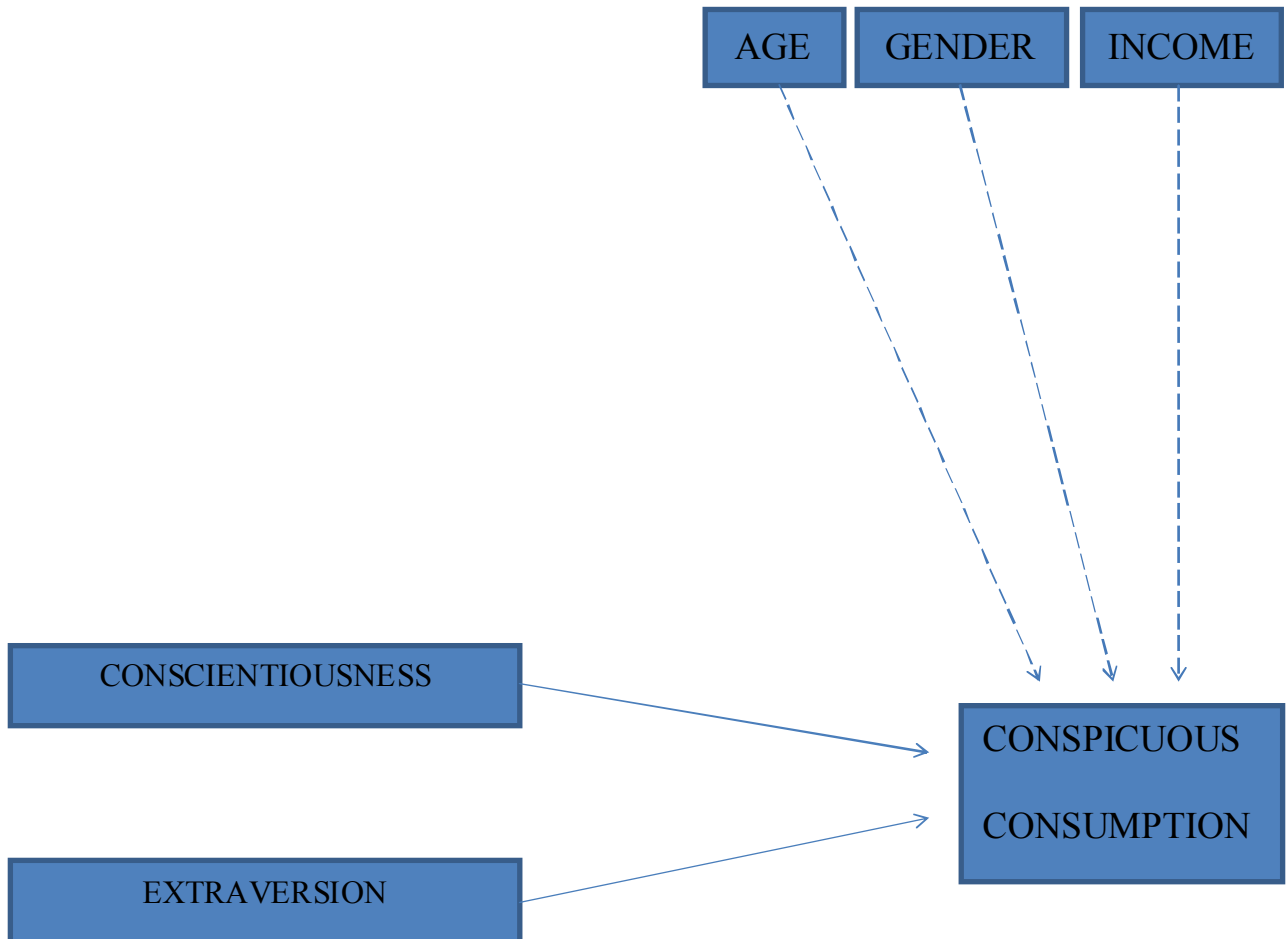
**Table 12.20: Coefficients for the existence of related relationships between the independent variables and the dependent variable**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	,261	,815		,320	,749
	AGREABLENESSv02	,009	,031	,006	,275	,783
	NEUROTICISMv02	,027	,022	,027	1,250	,213
	OPENNESSv02	-,010	,031	-,008	-,320	,749
	EXTRAVERSIONv02	,061	,025	,057	2,431	,016
	CONSCIENTIOUSNESSv02	1,408	,035	,941	40,662	,000

a. Dependent Variable: CONSPICIOUSv02

Consequently, we can see the factors impacting conspicuous consumption in a statistically significant way are extraversion and conscientiousness. So, when the other 3 factors are eliminated from the model, the revised model is composed of the variables as shown at the next page:

**Figure12.2: The revised model**



After constructing the revised model, a stepwise regression analysis is conducted to see the best model, best fitting variables explaining the conspicuous consumption. In other words, a check has been made for the constructed model.

**Table 12.21: Model summary for explanation of conspicuous consumption by different models**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	,957 <sup>a</sup>	,917	,916	1,34427	,917	2122,687	1	193	,000	
2	,959 <sup>b</sup>	,919	,919	1,32502	,003	6,647	1	192	,011	2,358

a. Predictors: (Constant), CONSCIENTIOUSNESSv02

b. Predictors: (Constant), CONSCIENTIOUSNESSv02, EXTRAVERSIONv02

c. Dependent Variable: CONSPICIOUSv02

The Model Summary table presents two different alternatives that enables to explain the conspicuous consumption with two different models. One model explains the conspicuous consumption at a rate of % 91.6 while another one explaining at a rate of % 91.9. And the significance levels, respectively, are 0.000 and 0.011 which are higher than 0.05. Both of the models are statistically significant at explanation of the conspicuous consumption. But it is reasonable to choose the one which has higher explanation rate of % 91.9.

At the Table 12.21, there two different models; the first model is explained by only conscientiousness factor while the second model is explained by both of conscientiousness and extraversion like as it was proposed in the revised model. I choose the second model which is the same by the model I constructed before.

Before determination of the revised state of the model which was constructed, lastly, the impacts of demographic variables; age, gender, income on conspicuous consumption, has been measured too. These variables were held constant while measuring the impacts of personality traits on conspicuous consumption. So, the related tests are implemented for the constant variables. Independent t-test is implemented for gender factor while ANOVA test is implemented for age and monthly income factors.

#### 12.4.4 Independent T-Test

To see whether conspicuous consumption differs or not by the groups of the gender factor, independent t-test is implemented.

Before the implementation of independent t-test, the equality of variances of the groups should be tested by Levene Test. And according to this test, the hypotheses are constructed as shown below:

Ho: All the variances of the gender groups are equal to eachother.

H1: At least one group's variance is different from the others.

When the first column at the Table 12.22: Independent samples test, where Levene Test is placed, is checked it is seen that F-value is 3,990 and consequent p-value is 0,047. Because p-value: 0,047 is lower than 0,05 significance level Ho null hypothesis will be rejected. So that the variances of the gender groups are not equal to eachother.

The aim of the analysis is to test the hypothesis shown below:

Ho: The mean values of conspicuous consumption of females and males are equal to eachother.

H1: The mean values of conspicuous consumption of females and males are not equal to eachother.

Because Ho hypothesis is rejected in Levene Test, the p-value in the second row is taken into account. And Ho hypothesis is accepted because p-value is 0,813.

So, the conspicuous consumption factor does not differ by the gender factor.

**Table 12.22: Independent samples test**

		Levene's Test for Equality of Variances		t-test for Equality of Means		
		F	Sig.	t	df	Sig. (2-tailed)
CONSPICIOUSv02	Equal variances assumed	3,990	,047	-,237	193	,813
	Equal variances not assumed			-,237	187,924	,813

## 12.4.5 ANOVA

### 12.4.5.1 ANOVA for Age Factor

To see whether conspicuous consumption differs or not by the groups of the age factor, ANOVA test is implemented.

Before the implementation of ANOVA test, the equality of variances of the groups should be tested by Levene Test. And according to this test, the hypotheses are constructed as shown below:

Ho: All the variances of the age groups are equal to each other.

H1: At least one group's variance is different from the others.

And if Sig. (p-value) is bigger than 0,05 significance level, it means the equality of the variances of the age groups are equal to each other. As shown in the Table 12.23, p-value: 0,142 is bigger than 0,05 so that Ho hypothesis is accepted. At this stage, the necessary prerequisite of implementing ANOVA test is satisfied.

**Table 12.23: Test of homogeneity of variances**

CONSPICIOUSv02

Levene Statistic	df1	df2	Sig.
1,743	4	190	,142

**Table 12.24: ANOVA**

CONSPICIOUSv02

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	217,882	4	54,471	2,609	,037
Within Groups	3966,713	190	20,877		
Total	4184,595	194			

At this stage, Scheffe comparison test is implemented to see which age groups are different from each other. At the Table 12.25: Multiple comparisons, binary comparisons of the groups composing the age factor by other groups are shown. It is determined whether there is a differentiation or not between the each binary comparisons, by looking at the p-values at the last column of the table.



Consequently, because all p-values are bigger than 0,05 significance level, the binary comparisons are not different from each other or in other words; conspicuous consumption does not differ by the age factor.

**Table 12.25: Multiple comparisons**

Dependent Variable: CONSPICIOUSv02

	(I) Your age?	(J) Your age?	Mean Difference (I-J)	Std. Error	Sig.
Scheffe	19 and below	20 - 25	1,52911	1,70167	,937
		26 - 35	2,23370	1,70653	,788
		36 - 45	4,25463	1,83927	,257
		46 and above	,73611	1,94153	,998
	20 - 25	19 and below	-1,52911	1,70167	,937
		26 - 35	,70459	,76718	,932
		36 - 45	2,72552	1,02919	,140
		46 and above	-,79300	1,20243	,979
	26 - 35	19 and below	-2,23370	1,70653	,788
		20 - 25	-,70459	,76718	,932
		36 - 45	2,02093	1,03721	,437
		46 and above	-1,49758	1,20931	,820
	36 - 45	19 and below	-4,25463	1,83927	,257
		20 - 25	-2,72552	1,02919	,140
		26 - 35	-2,02093	1,03721	,437
		46 and above	-3,51852	1,39036	,176
46 and above	19 and below	-,73611	1,94153	,998	
	20 - 25	,79300	1,20243	,979	
	26 - 35	1,49758	1,20931	,820	
	36 - 45	3,51852	1,39036	,176	

#### 12.4.5.2 ANOVA for Monthly Income Factor

To see whether conspicuous consumption differs or not by the groups of the monthly income factor, ANOVA test is implemented.

Before the implementation of ANOVA test, the equality of variances of the groups should be tested by Levene Test. And according to this test, the hypothesises are constructed as shown below:

Ho: All the variances of the monthly income groups are equal to each other.

H1: At least one group's variance is different from the others.

And if Sig. (p-value) is bigger than or equal to 0,05 significance level, it means the equality of the variances of the age groups are equal to each other. As shown in the Table 12.26, p-value: 0,05 is equal to the significance level 0,05 so that Ho hypothesis is accepted. At this stage, the necessary prerequisite of implementing ANOVA test, homogeneity is satisfied.

**Table 12.26: Test of homogeneity of variances**

CONSPICIOUSv02			
Levene Statistic	df1	df2	Sig.
2,416	4	190	,050

The aim of implementing ANOVA test was for seeing conspicuous consumption differs or not by the monthly income factor. So, the related alternative hypothesis is shown as below:

Ho: Conspicuous consumption doesn't differ by the monthly income.

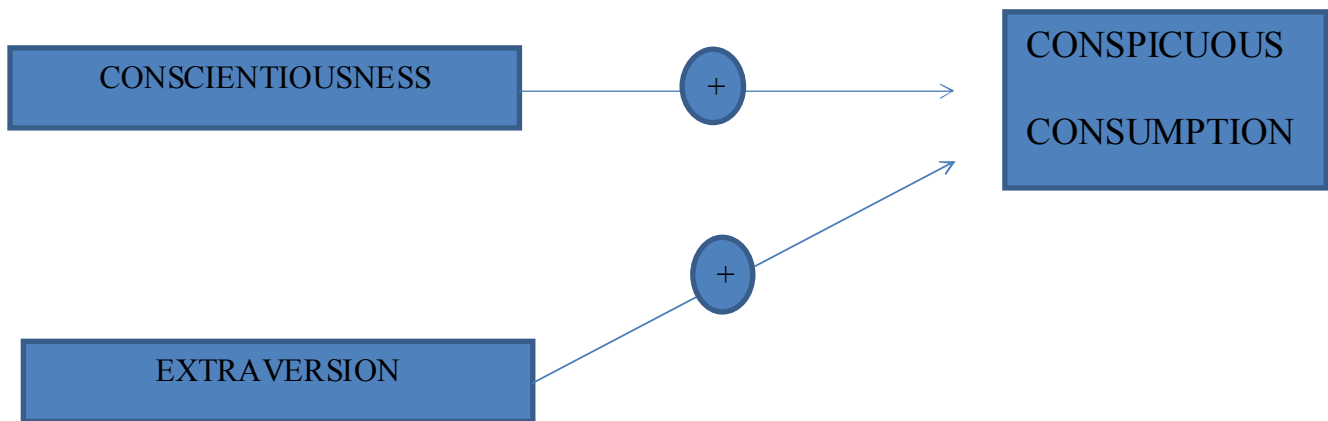
According to the analysis result given by Table 12.27 ANOVA, F-value: 1,241 and consequent p-value: 0,295 are found. Because p-value: 0,295 is bigger than 0,05 it means that Ho null hypothesis will be accepted. So, the dependent variable conspicuous consumption does not differ by monthly income groups.

**Table 12.27: ANOVA**

CONSPICIOUSv02					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	106,554	4	26,639	1,241	,295
Within Groups	4078,041	190	21,463		
Total	4184,595	194			

So, the conspicuous consumption does not change by the related constant variables; gender, age and income. The final model is constructed as follows:

**Figure12.3: The final model**



### 13. CONCLUSIONS AND RECOMMENDATIONS

With the increasing competitive environment conditions, understanding the consumer behavior has become more important for the businesses. Companies have focused more on the roots of personalities of the potential consumers to survive and keep pace with intense competition. With having a comprehensive understanding about their tendencies on consumer behavior through determining their personality characteristics and doing so implementing new strategies, the success is unavoidable for the marketers.

Consumer behaviors related to conspicuous consumption has been the subject of many research studies. In this study, the objective is to identify consumers' tendencies of conspicuous consumption through mainly personality traits and also demographic variables. To uncover their tendencies about conspicuous consumption, a questionnaire was designed and survey was conducted with the participation of 196 people. In the questionnaire form, firstly demographic characteristics of participants was asked and then the statements which compose personality traits were given. And lastly, the conspicuous consumption tendencies of the sample were measured with the related items. The outcomes were evaluated according to consumer demographics and respondents' opinions and SPSS 16.0 program was used to analyse the outcomes.

At first, the demographic factors; age, gender, income are held constant to test the relative impact of personality factors on the conspicuous consumption. And then, they were put into the analysis as independent variables in the model, too.

Before evaluating the impact of the big 5 personality factors on conspicuous consumption, reliability analysis is done beside the factor analysis for having a robust model. Factor analysis is used for determination of which statements belong to which dimension; personality trait. And lastly multiple regression analysis, independent t-test and ANOVA test is implemented.

Besides the reliability test, it is found that all these personality traits and conspicuous consumption datas are found appropriate for factor analysis.

By the factor analysis, the 7 factors are determined by the factor loadings so that it is found which statement is placed under which dimension. And according to the distribution of statements to the

related factors, the factors have been named. Also, conscientiousness factor is divided into two groups related to their factor loadings. And these groups are named as planned for factor 1 and perfection for factor 2. Consequently, 7 factors including agreeableness, conspicuous consumption, neuroticism, openness to experience, extraversion, planned and perfection are determined. Reliability test is run again and it is seen that Perfection factor is not a reliable factor. So, it is eliminated. When Perfection factor is eliminated, planned factor is named again as conscientiousness. Then factor analysis is run again and it is seen that the correlation between the variables are appropriate to test by factor analysis one more time.

Multiple regression is implemented to see the correlations between these traits and conspicuous consumption. After the multiple regression between the personality traits is implemented, it is seen that conspicuous consumption is explained by the independent variables; big 5 personality traits by at rate of % 91.6 which is a significant rate.

According to the results of multiple regression; there is a positive relationship between agreeableness and conspicuous consumption but the relationship is not significant.

There is a positive relationship between neuroticism and conspicuous consumption but there is no a statistically significant relationship between them.

Openness affects the conspicuous consumption in a negative direction. But the relationship is not significant.

Extraversion impacts conspicuous consumption in a positive direction. There is a statistically significant relationship between them; the relationship is meaningful.

And finally, conscientiousness is in a statistically significant relationship with conspicuous consumption in a positive direction. The relationship is meaningful.

As a result; extraversion and conscientiousness factors affect conspicuous consumption in a statistically significant way. So, when the other 3 factors are eliminated from the model, the revised model is composed of the variables of conscientiousness and extraversion as independent variables.

To see whether conspicuous consumption differs or not by the groups of the gender factor, independent t-test is implemented. The conspicuous consumption factor does not change by the gender factor.

ANOVA test is also done for age factor, too. Consequently, because all p-values at the Table of Multiple Comparisons are bigger than 0,05 significance level, the binary comparisons are not different from each other or in other words; conspicuous consumption does not change by the age factor.

Finally, ANOVA test is implemented for monthly income factor and it is seen that dependent variable conspicuous consumption does not differ by monthly income groups.

According to the findings, the final model is constructed; it was found out that none of the demographic factors (gender, age, income) has effect on conspicuous consumption. And personality traits which are **extraversion** and **conscientiousness** have a statistically significant relationship with conspicuous consumption in a positive direction. So that more extrovert, more conscientious individuals have more tendency to conspicuous consumption. So, the marketing manager should take into account, predominantly, extrovert and conscientious potential consumers as the target group while implementing his marketing strategies. They should focus on extrovert and / or conscientious potential consumers' behaviors. For instance; while they're representing their product in the advertising, the place in the ad can be vivid, active which captures the attention of them. The place should reflect the vivid colors of their life. Or if he is a conscientious customer, then he will pay attention to the delivery time of the product in a very accurate manner. So, all processes related to the delivery or payments should be realized in an order with no contrariety by the company.

However, this study has some limitations. Because most of the respondents live in a metropolitan city Istanbul and their income levels are at middle or upper level. But if the survey is conducted in the eastern cities of Turkey, purchasing power would be decreasing and maybe this time their tendencies for conspicuous consumption would be more sensitive because of having minimum subsistence power. Nevertheless, this research aims to guide future studies.

It can be recommended to do a more elaborate research study with enlarging the borders of Istanbul to lots of cities of the country. The research subject can be investigated on focusing other specific

issues for future studies, which is related to conspicuous consumption. 196 potential consumers participated for the study, the number should be increased for future studies to get valid results. Also in this study, convenience sampling method was used. More statistically appropriate should be taken.

Ultimately, not only personal factors and demographic factors should be analyzed but also the variables such as consumer confidence about the economy, brand quality consciousness, brand name consciousness, value consciousness, price consciousness should be analyzed to expand the research area of conspicuous consumption.

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<http://ipip.ori.org/>

## APPENDICES

### APPENDIX A.1 Questionnaire used in Survey (in English)

Dear Participant,

This survey study is prepared for conducting a post-graduate thesis at the Marketing Program of Institute of Social Sciences of Bahcesehir University and it is aimed to measure tendencies of potential consumers on conspicuous consumption process by some factors. The information taken from you is going to be used for scientific aims and it will be kept confidential. Thank you for your participation.

‘Conspicuous consumption is the consumption of products by excluding the utility and especially displaying to the others. Here consumption object is attractive by its social function which means it has a value; displaying his power.’

For instance; display of wealth by using costly jewellery, having fun at the luxuriest restaurants or purchase of technological devices, just because of its design not because of the function, and etc.

Shortly; every purchase made, rather than taking into account its function, for attainment of power and image is called conspicuous consumption.

1. Your Gender?

female

male

2. Your Age?

19 and below

20 – 25

26 – 35

36 – 45

46 and above

3. Your income level?
- ( ) 500 TL and below
  - ( ) 501 – 1500 TL
  - ( ) 1501 – 2500 TL
  - ( ) 2501 – 4000 TL
  - ( ) 4001 and above

4. Please choose the best fitting option for yourself.

	strongly disagree	disagree	neither agree nor disagree	agree	strongly agree
I have a rich vocabulary.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I have a vivid imagination.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I can understand easily.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I use difficult words.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I am full of ideas.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

5.

	strongly disagree	disagree	neither agree nor disagree	agree	strongly agree
I pay attention to details.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I do chores at that moment.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I follow a schedule.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I like order.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I am exacting in my work.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

6.

	strongly disagree	disagree	neither agree nor disagree	agree	strongly agree
I am the life of the party.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I start the conversations.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I talk to lots of different people at parties.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I feel comfortable around people.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I want to draw attention.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

7.

	strongly disagree	disagree	neither agree nor disagree	agree	strongly agree
I have a soft heart.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I take out time for others.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I feel others' emotions.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I make others feel at ease.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I sympathise with others' feelings.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

8.

	strongly disagree	disagree	neither agree nor disagree	agree	strongly agree
I become irritated easily.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I usually feel blue.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I stress out easily.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I often have mood swings.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I become upset easily.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

9.

	strongly disagree	disagree	neither agree nor disagree	agree	strongly agree
I would buy a product just because it has status.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I am interested in new products with status.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I would pay more for a product it had status.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The status of a product is irrelevant to me.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
A product is more valuable to me if it has some snob appeal.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>



## APPENDIX A.2 Questionnaire used in Survey (in Turkish)

Sayın Katılımcı;

Bu anket çalışması, Bahçeşehir Üniversitesi Sosyal Bilimler Enstitüsü Pazarlama programında yürütülmekte olan bir yüksek lisans tezi için hazırlanmıştır ve tüketicilerin satın alma süreçlerinde gösterişçi tüketim olan eğilimlerini bir takım faktörlerle açıklamayı amaçlamaktadır. Vermiş olacağınız bilgiler sadece bilimsel amaçlı kullanılacak ve tamamen gizli tutulacaktır. Ankete katıldığınız için teşekkür ederiz.

‘Gösterişçi Tüketim, eşya ve ürünlerin kullanım değeri dışında ve özellikle de diğerleri tarafından görülmek ve diğerlerine bir şeyler göstermek üzere tüketilmesidir. Burada tüketim nesnesi, sosyal işleviyle öne çıkmakta, yani eşya; bir statü, bir güç göstergesi olarak değer taşımaktadır.’

Örneğin; değerli mücevher kullanımıyla servet gösterimi, kutlamaların en lüks mekanlarda yapılması, kullanım işlevliğinden ziyade tasarımı ve bilinirliği ön planda olan markalara ait cep telefonu ve laptop gibi teknolojik ürün alımları, vb.

Özetle; kullanım işlevliğinden ziyade prestij, güç, imaj, mevki kazandırabilecek mal ve hizmet alımına giren her türlü tüketici davranışı, gösterişçi tüketim kapsamında yer almaktadır.

### \*1. Cinsiyetiniz?

- Kadın  
 Erkek

### \*2. Yaşınız?

- 19 ve altı  
 20 - 25  
 26 - 35  
 36 - 45  
 46 ve üstü

**\*3. Aylık gelir düzeyiniz?**

- 500 TL ve altı  
 501 - 1500 TL  
 1501 - 2500 TL  
 2501 - 4000 TL  
 4001 TL ve üstü

Aşağıdaki görüşlere katılıp katılmama durumunuza göre cevap veriniz.

**\*4.**

	Hiç Katılmıyorum	Katılmıyorum	Ne Katılıyorum Ne Katılmıyorum	Katılıyorum	Çok Katılıyorum
Zengin bir kelime hazinem vardır.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Canlı bir hayal gücüm vardır.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Kavramları hızlı bir şekilde anlayabilirim.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Zor kelimeler kullanırım.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Fikirlerle dopdoluyum.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**\*5.**

	Hiç Katılmıyorum	Katılmıyorum	Ne Katılıyorum Ne Katılmıyorum	Katılıyorum	Çok Katılıyorum
Detaylara dikkat ederim.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Ev işlerini hemen yaparım.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Bir programı takip ederim.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Düzeni severim.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
İşimde zor beğenen biriyimdir.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**\*6.**

	Hiç Katılmıyorum	Katılmıyorum	Ne Katılıyorum Ne Katılmıyorum	Katılıyorum	Çok Katılıyorum
Ben partinin candamıyım.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Konuşmaları ben başlatırım.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Partilerde bir sürü farklı insanla konuşurum.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
İnsanlar arasında kendimi rahat hissedirim.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
İlginin odağı olmak isterim.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**\*7. |**

	Hiç Katılmıyorum	Katılmıyorum	Ne Katılıyorum Ne Katılmıyorum	Katılıyorum	Çok Katılıyorum
Yumuşak bir kalbim vardır.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Diğerleri için vakit ayırım.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Empati yapar; diğerlerinin duygularını hissedirim.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
İnsanları rahatlatırım.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Diğerlerinin hislerine ilgi duyarım.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**\* 8.**

	Hiç Katılmıyorum	Katılmıyorum	Ne Katılıyorum Ne Katılmıyorum	Katılıyorum	Çok Katılıyorum
Kolay öfkelenirim.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Genellikle keyifsiz hissederim.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Kolay strese girerim.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Sıklıkla ruh hali değişimleri yaşarım.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Kolay üzülürüm.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**\*9. Genel Gösterişçi Tüketim**

	Hiç Katılmıyorum	Katılmıyorum	Ne Katılıyorum Ne Katılmıyorum	Katılıyorum	Çok Katılıyorum
Bir ürünü sadece statüsü olduğundan satın alabilirim.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Statüsü olan yeni ürünlere karşı ilgim var.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Eğer statüsü varsa, o ürün için daha fazla ödemeye razıyım.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Bir ürünün statüsü beni ilgilendirmez.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Eğer bir ürün snop bir görünüşe sahipse bana daha değerli gelir.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

