

# **Of Diamonds and Desires: Understanding Conspicuous Consumption from a Contemporary Marketing Perspective**

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## **EXECUTIVE SUMMARY**

Drawing upon existing literature, this paper briefly discusses aspects of conspicuous consumption. Analysis of the construct has been done in the perspective of changing capitalist structure and dominating socio-philosophical ideologies, especially postmodernism. Effort has been made to extend the original concept and propose necessary refinement and integration of relevant concepts to enable a meaningful, holistic, and contemporary interpretation of the said construct. This paper examines different aspects of consumer behavior, helps to generate some important directions for future research in the field, and also discusses these issues in the context of the transitional socio-economic background of India.

Keywords: Conspicuous Consumption, Postmodernism, Cultural Capital, Taste, India

## **Of Diamonds and Desires: Understanding Conspicuous Consumption from a Contemporary Marketing Perspective**

By looking into any standard English dictionary for the meaning of the word “conspicuous,” one gets a variety of lexicographic entries including “eye catching,” and “prominent;” but the word acquires a significantly different connotation in the context of “consumption” when it clearly indicates the phenomenon of “wasteful and lavish consumption expenses to enhance social prestige.” Based entirely on observation, more than a hundred years ago, Thorstein Veblen (1899) proposed that American rich were spending a significant portion of their time and money on unnecessary and unproductive leisure expenditures and coined the term conspicuous consumption to describe the behavior; this linguistic construct has been used so widely that it has entered into popular English lexicon only in this particular sense of the term (Oxford English Dictionary).

Effort in studying the phenomenon of conspicuous consumption can be adequately justified by the concept’s near universality and timelessness; McCracken (1987, pp. 50) notes that “conspicuous and competitive consumption are especially important to the study of the history of consumption because they play an important role in the growth of a consumer society.” However, any analysis of consumer behavior has to be done in the perspective of changing economic-political-social contexts or even philosophical thoughts, and assessment of the conspicuous consumption construct cannot be an exception. The focus of this paper is restricted to the discussion and analysis of some important theoretical work on the subject, from the perspective of changing time, evolving business principles and ideologies, and existing as well as evolving literature. In the process, we extend the original Veblenian thesis through a review, refinement, and integration of divergent concepts in order to arrive at a meaningful conclusion regarding

the contemporary nature of this construct and the proper scope for further research. In this spirit we propose a periodic-structural analysis of conspicuous consumption behaviour (Table 1), depicting its evolution, nature and character.

### **GENESIS OF THE CONCEPT**

To discuss the background of the development of Veblen’s thesis, we draw from the work of Page (1992). The leisure class, as discussed by Veblen, consisted of the families of the top business and landowning families in the United States: the Harrimans, the Mellons, and the Fricks, to name a few. Similarly in Europe the old moneyed families, like the Astors and Spencers, habitually spoiled themselves through overconsumption in marriages, business alliances, and leisure activities. A strikingly similar yet parallel lifestyle has been documented even in India in the 19<sup>th</sup> century (Sastri 1983). During this period of the evolution of colonial capitalism and strongly established feudalism, the nouveaux riche of the city of Calcutta used to spend obnoxiously huge sums of money on grand feasts, betting, musical extravaganzas, brothel-visits, and other showy yet meaningless events; so much so that these stories have become a part of local folklore and other forms of popular culture.

The *Theory* of Veblen presents conspicuousness as a purposive conduct in which status considerations predominate. His opinions regarding individuals’ efforts “to excel in pecuniary standing” or “in the struggle to outdo one another the city population push their normal standard of conspicuous consumption to a higher point” (Veblen 1899, p. 53) indicate his positioning of

conspicuous consumption as consumers” deliberate, conscious activity to achieve the objective of status enhancement, a bold distinction from the established neo-classical economics perspective.

**TABLE 1**  
**A Structural Analysis of Conspicuous Consumption Behaviour**

<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

When first observed, conspicuous consumption’s main practitioners were the new tycoons seeking to match the refinement of the longer-established rich. Veblen’s account dwells on money being extravagantly spent on materialistic excesses, and purchasing as an act meant purely for display. It took place, primarily, because of marketers’ and advertisers’ efforts in creating such possession-related imageries (Turner 1965), hence leading to the legitimisation of consumption as a source of social and self-identity. Thus, expenditures that had previously looked extravagant, gained a valid personal and social function and, for consumers, the acts of buying and consuming gradually became the most important end in itself, rather than the use or practical value of the goods themselves.

#### **EARLY FORM OF CONSPICUOUS CONSUMPTION BEHAVIOUR: PREINDUSTRIAL-FEUDAL**

Although formal note of this phenomenon was first documented by Veblen, the practice of conspicuous consumption or spending money to tout one’s success is not new; in a primitive society, men possessed women and slaves as trophies of their status. The aristocratic Romans spent outrageous sums of money on expensive gladiator fights (Finlay 1973). Similar lavish spending tendencies have also been noted among the ancient Polynesians (Leach 2003). In these primitive feudal societies, the underlying dynamic of ostentation is characterised by a coexistence of money, military, and political strengths which were entirely at the behest of the nobility (Page

1992) and the principal objects of conspicuous display remained servants, food, clothing, and housing (Mason 1981).

**UNDERSTANDING TIME---MODERN AND POST-MODERN PERIODS:  
TOWARDS A CONTEMPORARY  
THEORY OF CONSPICUOUS CONSUMPTION**

According to Jameson (1983), it is the evolution of capitalism that has dictated contemporary philosophy, cultural practices, art, and literature. He associates the period between the late nineteenth century (when the *Leisure Class* was written and debated) and the mid-twentieth century (about WWII) in Western Europe, England, and the United States with monopoly capitalism and modernistic cultural practices. The philosophy of modernism emphasised rationality and creating order out of chaos. The assumption is that creating more rationality is conducive to creating more order, and that the more ordered a society is, the better it will function (the more rationally it will function). Because modernity is about the pursuit of ever-increasing levels of order, modern societies are constantly on guard against anything and everything labeled as "disorder" which might disrupt order. Thus modern societies rely on continually establishing a binary opposition between "order" and "disorder" so that they can assert the superiority of "order." But to do this, they have to have things that represent "disorder"--modern societies thus continually have to create/construct "disorder." Possibly because of this, lavish expenditure was branded wasteful as the practice symbolised exception (Mason 1982) or "disorder." However rapid changes in the Western World broke the status-quo of long-established social-political-economic structures, and new ideas in the fields of sociology, philosophy, and business started to gain ground. The post-war era was marked by the rapid spread of capital across boundaries, resulting in the establishment of a clear hegemony of capitalistic ideologies over socialism and fast developments in and penetration of digital technology and communication science. In this stage of capitalism, especially from a period starting from the late '70s, emphasis was gradually being placed on marketing, selling, and consuming commodities, not on producing them and this period has been related with postmodernism (Baudrillard 1975 , 1981; Ewen 1988; Mourrain 1989).

The recognition of consumption, as it is perceived in post modernity, and actions taken by institutions of Western society (which are also becoming increasingly common even in the newly industrialising countries) -- namely, marketing -- are relatively new (Firat 1991), yet important. These actions are to be based on the fact that postmodern consumption processes, cultures, and consumers are qualitatively different from those of the past: "the simpler "rational" consumer of the past was replaced by a more complex consumer" (Firat, Dholakia, and Venkatesh 1995, p. 44). The reversals in production and consumption arise from production losing its privileged status in culture and consumption becoming the means through which individuals define their self-images for themselves as well as to others; marketing as a primary institution has reinforced this trend. "It is also in this (re)presentation of self-image(s) through one's consumption that the consumer begins to conceive "the self" as a marketable entity, to be customized and produced, to be positioned and promoted, as a product" (Firat et al. 1995, p. 42). The importance of self and social images have given rise to the phenomenon where products serve as symbols, are evaluated, purchased, and consumed based on their symbolic content (Zaltman and Wallendorf 1979). Consumption symbols signify social constructions of reality; they are the media of interpersonal communication and the symbolic meaning of goods is used as an outward expression of consumer self-concept and connection to the society (for details, see Elliott and Wattansuwan, 1998). Consumption has now become a means of self-realization and identification (Firat 1991) as consumers no longer merely consume products; they consume the symbolic meaning of those products, the image (Cova 1996).

When consumption moves to the symbolic realm, distinctive display can be made even with less expensive material possession, but by something which still communicates the symbol of distinctiveness. By adopting abstract interpretations and ascribing complex cultural meaning to products, those with “higher” taste but less money would aim to compete with those with money but no matching taste. This happens because there is a “correlation between educational capital and the propensity or at least the aspiration to appreciate a work “independently of its content” (Bourdieu 1984, p. 53). “Economic capital” does not easily and necessarily translate into “cultural capital.” The cultural “elite,” thus, can make even a mundane or an easily affordable product to express and exhibit their exclusive taste, by sophisticated, in-depth appreciation and appropriate communication of these “taste-symbols” which, by design, remain distinct from ‘status-symbols.’” Specific instances of this typical taste-based consumption can be seen in such practices where marginalized art-forms, artifacts or working class outfits like jeans (Triggs 2001) are adopted as signs of exclusivity.

Thus it is no surprise that, by studying the trends of ostentatious consumption, both Mason (1981) and Galbraith(1984) could observe that consumers have become more educated and they no longer consider outrageous flamboyance and extravagant spending as the leading symbols of status; conspicuous consumption can be done more through educated or “tasteful” expenditures than through flagrant exhibitions of wealth. Observations that conscious, overt, and direct display of wealth (position) has ceased (Galbraith 1984; Trigg 2001) and status is conveyed in more subtle ways (Mason, 1981). Further Holt (1998, p. 5) recognizes that “Objects no longer serve as accurate representations of consumer practices; rather, they allow a wide variety of consumption styles.” In short, the change in the dynamics of conspicuousness can clearly be discerned; the previous emphasis on acquisition and exhibition of physical items shifts to experiences and symbolic image in the post-modern phase (Pine, Gilmore, and Pine 1999) (also see Table 1).

## **AN EVALUATION OF THE EVOLVING LITERATURE**

According to Mason (1995), the importance of the contributions of Veblen and later of Duesenberry (1949) and Leibenstein (1950) lie in the development of modern consumer demand theory. However, in the hands of these classical economic thinkers, the ideas of “status consumption,” “bandwagon,” or “snob” were a set discrete of conceptual tools for explaining a so-called “irrational” dimension of consumer behaviour and any effort in establishing a valid interrelationship among these constructs to fully explain conspicuous aspects of consumer behaviour was absent. As a result, post 1950 literature on Veblen continued to extend the concepts mainly on the original logic of status signaling without showing any interests in incorporating other psychological or socio-cultural constructs (Campbell 1995).

This emphasis is also visible with an informal examination of the citations in Bagwell and Bernheim’s (1996) quantitative formulation of the Veblen effect; most citations are from the economic literature and the emphasis is purely on explaining status signaling. Since the theorists argue that as individuals engage in conspicuous consumption to advertise and provide evidence of wealth, the equilibrium relationship between price and status indicates signaling (Bagwell and Bernheim 1996). The interest of economists in explaining this phenomenon is evident from the different nomenclature, jargon, and concepts they have associated with this behavior: Hirsch’s (1976) positional goods, Ng’s (1987) diamond goods, Congleton’s (1989) status games, Ireland’s (1994) market for status signals in the presence of visible goods, Pesendorfer’s (1995) fashion cycles, etc. However, the focus remains essentially the same. This tendency of attaching too much importance to the status component of conspicuous consumption is, of course, not without

its share of risks; literature often identifies status and conspicuous consumption as if they are inherently the same phenomena and such a conceptualization in effect defines one construct in terms of the other (O’Cass and McEwen 2004). These authors empirically validated the overlap between status and conspicuous consumption theories and found the two to be separate constructs.

On the other hand, in a post-modern society, it is becoming increasingly difficult to assign status simply from consumption as “status judgments based on the goods one owns are of little value for most of the population in an era of transnational capitalism” (Holt 1998, p. 3). All the above observations clearly point out the restrictive interpretation of the concept of conspicuousness by researchers (mainly economists), as it is largely seen as a process or means to achieve status, the desired end state. Thus it is not surprising that in a review article, Mason (1982) brands this consumption practice as an exception (because economists consider it so!). But, at the same time, he feels that there is a lack of comprehensive marketing and behavioral explanation of this important construct in socio-psychological models. This essentially suggests, once more, that consumer behavior is often too complex to be handled by economics alone (Solomon 1992) and, if done, may severely limit the scope of findings.

## **ANTECEDENTS OF CONSPICUOUSNESS**

The conspicuous consumption construct need not remain restricted to its original meaning, but should be expanded by incorporating more generalised and broader dimensions of “being seen or identified by others,” “public consumption” (Bearden and Etzel 1982; Grimm, Agrawal, and Richardson 1999), “self-concept” (Sirgy 1982), and “uniqueness” (Tepper-Tian, Bearden, and Hunter 2001). Conspicuousness is explained in the literature as a function of a few constructs. Treated as separate perspectives, each of these behavioral components has been used widely in the literature. A brief detail of these constructs needs a mention for proper understanding of the evolution of the relevant literature.

### **Ostentation and Signaling**

Many products, which are consumed in public contexts (Bagwell and Bernheim 1996; Bearden and Etzel 1982; Corneo and Jeanne 1997), are used by people to signal wealth and, by inference, power and status. Thus, the utility of some products may be to display wealth and power, as was noted by Veblen; and, in spite of the evolution of postmodernism, this motivation may remain strong among certain segments of customers.

This segment, as a result, often finds pricing as a medium signaling wealth and status (Amaldoss and Jain 2005) and prefers expensive items for consumption; these consumers attach great importance to price as a surrogate indicator of power and status, because their primary objective is to impress others. In this context, it is important to recognize that ostentation only partly explains the conspicuous construct, since a vast majority of products are also consumed in private.

### **Uniqueness**

This was first described by Leibenstein (1950) as “snob effect.” It may be considered as a function of personal, interpersonal, and social effects factors; it takes into consideration personal and emotional desires when purchasing or consuming prestige brands, but it also influences and is influenced by other individuals’ behaviors (Mason 1995). Hence understanding it is sometimes complex. Research reveals that a perceived limited supply of products actually increases consumers’ evaluation of a product (Amaldoss and Jain 2005; Verhallen and Robben 1995).

These arguments are consistent with researchers' observations of consumers' expressed "need for uniqueness" (Tepper-Tian, Bearden, and Hunter 2001). Moreover, postmodernist ideas claim that consumers would reject the dominant values and everything that is normal (or is in the process of becoming normal), and desire to "do their own thing." In fact it is this development that drives the need for uniqueness even further, encouraging consumers to interpret products differently, add meaning to them, and invent newer ways of self-expression and communication (Douglas and Isherwood 1995).

### **Social Conformity**

This can be conceptualised as a mirror image and an antecedent to Leibenstein's snob effect (Berry 1994; Miller, McIntyre, and Mantrala 1993; Rogers 1983), driven primarily by a motivation to conform. In a postmodern society that would resemble a network of societal micro-groups sharing strong emotional links and a common subculture, consumers tend to adopt a more conforming mentality (Cova 1996). Research has demonstrated that people tend to conform to the majority opinion of their membership groups when forming attitudes (Festinger 1954) and it is a result of an individual's (voluntary) desire for public compliance (Grimm et al. 1999) in an effort to enhance self-image or self-concept (McGuire 1969; Park and Lessig 1977; Park and Mittal 1985). Even empirical evidence suggests that in cases of conspicuous consumption, this motivation becomes all the more pronounced and significant (Grimm et al. 1999; Zinkhan and Lascu 2001). Interestingly, this observation is also consistent with the important postmodern consideration about the ability of consumers to align the consumption-based meanings with self-image (Cova 1996). In early economics, herd behavior gained the attention of researchers like Veblen that studied sudden shifts in consumer behavior such as fads and fashions. Burt (1982) argued that in ambiguous situations people turned to other people who served as a reference group in order to come up with a solution that made sense in that particular context. According to him, products are adopted via people that were "structurally equivalent" to each other, meaning that they occupied "the same position in the social structure and [were] so proximate to the extent that they [had] the same pattern of relations with occupants of other positions" (Burt 1982, p. 1291). So the intuitive suggestion of the theory is that, rather than the relative hierarchical social standing, similar social positions can be equally important for emulative product adoption.

Both academicians and practitioners of marketing view conspicuous consumption as somewhat synonymous to the purchase of expensive luxuries or status products. In face of expanding mass-consumption, post-modernist societies and contemporary research that support the diverse nature of the conspicuous consumption construct, marketers' preoccupation with limiting the same to luxury consumption may be all the more incorrect. An important implication of this body of research is that people could choose to buy and display any product which is different merely for the sake of being different from other consumers, rather than to display their wealth or social status. On the other hand, there is evidence of conformity in the purchase of books, toys, and garments and uniqueness in cookies (Amaldoss and Jain 2005), things which all may not be luxuries. Thus, rather than seeing the antecedents separately, if one underlying motivation can be identified then subsequent empirical verification of conspicuous consumption may become much more easy. This contention can further be justified in light of developments in the theory of optimal distinctiveness (Brewer 1991), which still has not found enough response from marketing academia to explain a concept like conspicuousness. Amaldoss and Jain (2005) have also noted that this confused understanding of the phenomenon of conspicuous consumption can raise some macro problems for marketers; for example, marketers of conspicuous goods believe that demand might drop if they price their products lower. However, it is not clear under what conditions, if any, this belief is valid. Another prevailing opinion of managers is that exclusivity may enable a firm to earn higher profits, but it is not obvious how consumer desire for uniqueness affects firm profits. Apart from understanding, measuring, and assessing the firm behaviour and pricing

aspects, the exact nature of the motivation for conspicuous consumption has not been fully investigated. For example, literature surveys and past reviews (Mason 1982) have not been able to elucidate the true nature of this construct. Except for a lone effort by Braun and Wicklund (1987), understanding the psychology of conspicuous consumption behavior remains largely unresolved. In their study, the authors examined the psychological side of the issues and evaluated a few possible antecedents of conspicuous consumption. Using the theory of self-completion they concluded that the acquisition behaviour for material prestige goods is a function of identity crisis and insecurity, which are different from the classical understanding of the factors responsible for the same.

### **DISCUSSION IN THE CONTEXT OF TRANSITIONAL ECONOMIES: THE CASE STUDY OF INDIA**

Understanding conspicuous consumption in its proper perspective is still not complete, and it is evident in the continuing interests of researchers. The behavior of flaunting success, money, self, and possession is inherent in consumers across the world. However, the true dynamics of this phenomenon are evident only when we take into consideration changing socio-economic conditions and other consumption patterns. Academic inquiries have highlighted consumer dynamics in developed countries without concentrating much on the happenings of the developing world. This literature, in general, is limited and in the area concerning conspicuous consumption, appears to be all the more non-existent. In order to know the nature and pattern of this important consumer behavior construct, researchers should also understand the social context that exists in the developing world. We will use India as an example.

The complex Indian society needs a closer look in order to understand the shape and dynamics of the conspicuous consumption behavior in the country. The typicalities existing in the Indian social structure, class behavior, and economic resource distribution are different from those existing in Western societies and so is the consumption culture. However, recent socio-economic transitions have significantly changed Indian consumption habits.

Looking at the development and evolution of consumer culture in India, one can see three distinct phases which were influenced by major ideological paradigms. The pre-independence (1947) period was characterized by the Gandhian philosophy of simple living while the post independence period was largely marked by socialist ideology of community living and self-reliance. During this period, the Indian market suffered from the ills of monopoly, and gradually the dream of self-reliance was eroded by low economic growth and widespread scarcity, and a low level of self-esteem started to set into the consumers' (Indians') minds (Singh 1982); consumerism was still not an acceptable social and cultural activity that was to be practiced. Owning money and material itself was seen as illegitimate, except for the wealth normally inherited by the family members of the aristocracy, and people had to underplay the value of wealth. They would seek legitimacy through donations and charity. It was an important way of taking wealth and converting it into prestige. However in the midst of wide spread poverty, few were able to experience material consumption, which by no means could always be called extravagant, but, given the socio-economic conditions, even this consumption was summarily branded as "conspicuous" and their activities, most often, "illegal." Social equity was strictly imposed through heavy punitive taxation, where the peak rate could be in excess of 90%.

However a popular desire for consumption, in a marked distinction from the reigning ideologies, was already growing. It was only after 1991 that, with the integration of the Indian economy with the global one, a contemporary form of consumption culture was initiated (Kurien 1995;

Mankekar 1999). Venkatesh (1994) argued that the country was witnessing a dramatic increase in consumerism leading to the strengthening of social acceptance of consumption as a means of defining social status. Items like household appliances, toiletries, and packaged foods are now being perceived as crucial indices of upward mobility (Mankekar 1999, p. 74), rather than indicators of wealth. In fact, recent evidence (Varman and Vikas 2005) lends support to the fact that conspicuous consumption propensity is getting “massified” as people are increasingly being judged through their material lifestyles. For instance, commercial marketing research (Business World 2006b) shows that in India premium products have a huge market; according to the senior marketing officials around 32 million Indians can support a premium product market of around US \$14 billion. Indian marketing managers, however, tend to differentiate between luxury and premium, the former being afforded only by the super-rich, roughly one million households having an annual income in excess of US \$1,00,000.

### **The Indian Middle Class**

Rather than the ‘super-rich’ Indians, major interest of any research is to understand the middle class who form the “volume-consumer” and also are the cornerstone of the country’s socio-economic-political dynamics. Going a little bit into the history to trace the origin of these people, we find that a “bourgeois” class existed prior to the arrival of the British, but expansion in the rule of the Europeans paved way for the emergence of a larger and distinct “middle class” (Sen 1988). Misra (1961) identified teachers, lawyers, doctors, bureaucrats, service holders as belonging to the post-independence middle class, who are primarily skilled-based professionals having a distinguished acumen for knowledge acquisition and practice-orientation. However, this composition has also changed in the last four decades. The Indian society now also boasts of middle class entrepreneurs, high salaried professionals, engineers, expatriates, and so on. Thus, it won’t be much of an over-statement to call the Indian “middle” class the “merit” class. The middle class has become the vanguard of social and cultural change, embracing rationality, science, and secularism, leading India out of its tradition, superstition and ignorance (Sarkar 1983) and is an active element in India’s transition from feudalism to an industry-based modern society (Sen 1988).

The 1970s marks the emergence and rapid growth of a brash, new middle class that contrasts with an older, more cultured and paternalistic middle class of the Nehruvian period (broadly the 1950s and 1960s) (Varma 1998). The partial liberalization of the economy in the 1980s, and then further liberalization from 1991, have also helped to create new wealth in India. A higher quality of life does appear to be increasingly associated with being able to buy and display goods and services, including foreign or branded ones (Monteiro 1998; Osella and Osella 2000). Sheth (1999, p. 2508) argues that “the idea of upward social mobility motivates people of all castes...the quest today is not for registering higher ritual status; it is universally for wealth, political power and modern lifestyles.” However, there is evidence that such aspirations extend beyond the urban middle classes; e.g., in their sophisticated ethnographic account of social mobility in rural Kerala, Osella and Osella (2000) point to significant changes in consumption behaviours and aspirations amongst all social groups. Varma (1998) argues that in contrast with a previous ethic of austerity encouraged by the state, consumerism is now sanctioned because the middle class ability to consume is regarded as an index of progress.

One of the defining features of India’s contemporary middle class is their appetite for “global” culture, and their pursuit of Western lifestyles, possessions and values (Gupta 2000; Lakha 2000). They are a member of such a “transnational class,” who are bound up with the “developed” world through close cultural and economic transactions. Thus it is no surprise that English continues to regulate access to specialised, professional training; it is linked to economic benefits and it reproduces and maintains cultural privilege (Roy 1993).

With increasing job opportunities newer forms of professionals are being created, which gives the middle class a remarkably different composition from what it was even 20 years ago. New routes to earning wealth have evolved. Trading and manufacturing have always been the traditional way to earn riches. But the past 20 years have seen the knowledge route consolidate and that's where the middle class has actually prospered. There has been a boom in what self-employed professionals earn-----for people like dentists, doctors, and lawyers, income has jumped 20-fold (Business World 2006b). Even the salaried class has come into its own. Earlier, a handful of people working in high positions in a big company would earn well. But now, apart from large corporate executives, stockholders in companies, and stock option millionaires, even employees in small- and medium-sized enterprises are also earning well.

India has always had a very hierarchy- and status-conscious society (Kakar 1981), which began with the caste system and has now evolved into more of a class-based system (Venkatesh and Swamy 1994). Thus, there has always been a search for signs and markers of status and class, and successful Indians would always like to display their affluence through ostentatious exhibition of the goods they own (Singh 1982). This desire can be seen as natural because in the Indian society inequalities arising out of differences in power or wealth are seen as legitimate, either as a result of aristocracy (where right to power is seen as natural) or meritocracy that assigns it by effort and achievement. But, as discussed above, their aspirations were severely restricted by a predominant frugality-oriented Gandhian value system. Moreover, the traditional character of Indians to create meanings and icons provides a specially "fertile ground" for this kind of distinctive symbolic consumption (Venkatesh and Swamy 1994). But as enhanced economic activities in the country are further facilitating higher status mobility (Belk 1988; Kottak 1990) in the society, it is ritualistically exhibited through symbolic consumption of certain goods and services which often takes the shape of conspicuousness.

In India, another major happening has further increased the scope for consumerism: it is the spectacular growth of media. In the last few years there has been a dramatic rise in the number of television channels across the country. Indian television, completely controlled by the government since its inception, gave way to cable television in the 90s. All the cable television channels, which include names like Star, Zee, and Sony, are controlled by private domestic or international capital. Though private channels are the biggest vehicles of the consumer culture in media, the state-owned channel also witnessed a change in priorities (Gupta 1998). In the initial years the state controlled television programming was a reflection of the welfare role; however, starting in the 90s, the medium largely discarded its welfare imperative (Gupta 1998) and concentrated on entertainment-based programs and advertisements. These channels have mainly highlighted "desirable" upper middle-class lifestyles, thereby legitimising consumerism, exhibitionism, and material wants (Mankekar 1999).

This specific development, to a significant degree, can describe the present forms of consumption habits in the country. The TV channels act as a major vehicle through which Indian consumers are exposed to the values and cultures of the West and as a medium, they cultivated new trends in our world views, culture, and attitudes (Gerbner et al. 1980). It is a well-known phenomenon that television can act as a mediator of consumption practices and culture penetration (for details see Hirschman 1988). These images or "mediascapes" (Appadurai 1996) influenced consumers to change their traditional consumption orientations and value systems. Consumers thus often seek to emulate the apparently "new," "modern," and "advanced" forms of consumption practices and lifestyles and purchase the brands they are exposed to through TV channels; the evidence of such practices are increasingly becoming visible in India (Varman and Vikas 2005).

There has been a sea change in the way the Indian popular cinema portrays wealth. In the 1950s in a film titled *Devdas*, the heroine is portrayed as the girl next door, dressed in a simple cotton saree. Half a century later, in a remake (which was also screened at Cannes) the opulence depicted has to be seen to be believed. Just after Independence, when the country was struggling to its feet, films borrowed heavily from the ideology of that era. The rich were regarded suspiciously. Their wealth was not right in a country where poverty was widespread. This trend continued with Amitabh Bachchan, the Indian superstar. During the 1970s the protagonists remained the proletariat and the rich industrialists, the villains. The TV soaps also resonated in the same tune. However, present movies celebrate possession in all its forms. Often times, in the most stylised narrative format, contemporary movies revolve around protagonists who are professionals and entrepreneurs. Through careful set design, location preferences, and dressing styles, they reflect the achievements, aspirations, and the tastes of the middle class. Moving away from NRI (Non resident Indian) themes, modern popular movies like *Corporate* ([www.corporatethemovie.com](http://www.corporatethemovie.com)) display the dilemmas of the middle-class urban Indian.

In the absence of formal academic research, we can take a few more incidents narrated in Indian business magazines like *Business World* as indicative of the contemporary state of conspicuous consumption in India. An informal content analysis of the publication yields 142 returns for the word “luxury.” Interestingly, magazines like this one have been tracking the buying behaviour of the Indian middle class (although not with much theoretical motivation). According to one such story (*Business World* 2003) places near Delhi have been witnessing much growth, and first generation entrepreneurs are spending furiously to establish their social identity; Mercedes Benz cars are selling more in the smaller cities than in the Metros. “With their business going well, they get anxious to project the right image. They go in for a big house - 15 bedrooms or so” (*Business World* 2003, p. 30). The old rich don’t shop for these. The new rich — the ones struggling to communicate that aura of richness — pick up most of these.

On the other hand, the increasing inclination to use cultural capital to create exclusivity is also on the rise. Taste and the ability to appreciate the same is visible at every corner. Magazines targeted at the middle class highlight achievements and showcase exquisitely designed homes having inexpensive yet “culturally scarce” fittings and accessories. Even among the upper middle class. this trend is visible. “Ten years ago, a family might have invited Daler Mehndi (a pop star) to perform at a family wedding. But now, they will probably call in an Ustad Amjad Ali Khan” (an internationally renowned classical musician) (*Business World* 2003, p. 31). Thus creation of exclusivity through intellectual and cultural distances, rather than using wealth, is a reality that the marketing practitioners are learning fast (*Business World* 2006a). Incidents like this would perfectly support the theory developed above.

India is experiencing major shifts in her socio-cultural structure. Thus, a society which has been traditionally known as “collective” in nature (see Hofstede 1984) is gradually showing increased evidence of individualism (Sinha and Tripathi 1994). It is possible that the search for a distinct self-identity has already begun in India. Again with increased penetration of electronic media, affordable home entertainment systems, cinema, and the internet, consumers are opening up to the great outside world. Visual images, like elsewhere in the developed world (Elliot and Wattanasuwan 1998), are constantly creating reality for the Indian consumers.

If we see these as trends and symptoms of social change, they definitely indicate a substantial directional turn of the Indian society to conform to a predominant global social order, something very similar to what Harvey (1990, p. 22) observed in the West:

The first [step] is the introduction of fashion in mass markets that has accelerated consumption not only in clothing, ornament, and decoration but also across a wide swathe of life-styles and recreational activities. A second shift is moving away from the consumption of goods to consumption of services .... The first major consequence has been to accentuate volatility and ephemerality of fashions, products, production techniques, labor processes, ideas and ideologies, values, and established practices.

Venkatesh (1999) sees these developments as symptoms of a postmodern “sign economy,” where a production orientation is changing into a consumption orientation. We thus observe in the Indian market and society some interesting trends: the empowerment of women, mass media penetration, changing consumption patterns, the incidence of higher levels of education among the consuming middle class, and a clear conflict between traditionalism and the evolving social order (for details, see Venkatesh 1994). These developments bear significant resemblance with major postmodern trends like “valuing of consumption as a social imperative,” “high levels and distribution of purchase power created through an elaborate credit economy,” and a “high level of education accounting for market sophistication,” as identified by Venkatesh (1999, pp. 8-9). These changes are a clear indication that “sign” or a postmodern social system is gradually, if not rapidly, coming to India.

## **DISCUSSION AND CONCLUSION**

Postmodern developments are significantly influencing the global nature of conspicuous consumption, especially in a transitional society like India. Class markers, to some extent, are still guided by the classical Veblenian dynamics and material possession, but the changing dynamics of socio-economic structure is also being felt. Fuelled by increasing purchasing power and high decibel advertising campaigns, mass produced and imported products are gradually obscuring class differences, and consumption patterns are largely guided by the non-functional symbolic properties of the products (brands). This form of symbolic consumption is further enhanced by conscious marketing efforts that highlight a diverse plethora of images and brand personalities, something through which consumers actively seek to express their distinctive identities.

The concept of conspicuous consumption, as viewed by the contemporary scholars in marketing and economics, needs a substantial review and extension, in view of the changing global social order. Moreover, rapid expansion of information technology is enabling penetration of new cultural and social paradigms. The increasing income of the middle class in developing nations and the evolution of better manufacturing technology are limiting the scope for creating distinctive appeals based only on material scarcity (the usual price-based conspicuous consumption models found in the economics literature).

The Indian middle class, who form the major consuming segment, are the cultural elites of the country (Mawdsley 2004); they actively patronize the “culture industry” and for them it forms a significant way of finding distinction. Hence, their consumption becomes “conspicuous,” but in a way which is different from what is being practiced by the rich and the wealthy. This “cultural elitism” is an urban phenomenon in India but, in its various forms, shapes the overall consumption pattern existing in the country. Thereby, any study to formalize a contemporary concept of conspicuous consumption in the Indian context should try to capture the cognitive and behavioural dynamics of the “English speaking” Indian middle class. However, such an approach still would only give a partial indication of the true “Indian” phenomenon because this is a highly heterogeneous country with multiple languages, myriads of cultural practices, and differential rates of urbanization and religious influences.

However, taking a fresh look at the concept is necessary as consumption patterns are no longer consequential to class reproduction (Holt 1998); rather it is the symbolic function of continuous social interaction (Bourdieu 1984). This fundamental deviation in global consumer behavior may require, on the part of future research, an effort in establishing a new working definition of conspicuous consumption, involving additional psycho-social dimensions. Holt (1998) notes the necessity of refining the concept, but we believe that a more formalized empirical study is the call of the hour. This is especially needed in the context of transitional-traditional Asian nations, where direct evidence of contemporary consumer behaviour is not always reported, as it may give an absolutely fresh impetus to marketing research in this area and open up whole new perspectives of the concept.

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