The Less Conspicuous Road to Virtue: The Influence of Luxury Consumption on Socially Valued Behavior

Keith Wilcox

Marketing in Israel

January 1, 2014
Luxury is Pervasive
Luxury is associated with status and wealth, which are highly valued characteristics (Griskevicius et al., 2007).

Individuals gain prestige and social capital from wearing luxury products (Grossman & Shapiro, 1988; Han, Nunes, & Drèze, 2010; Nelissen & Meijers, 2011; Veblen, 1899).

Status and prestige play a central role in the decision to purchase luxury products (Drèze & Nunes, 2009; Griskevicius et al., 2007; Han et al., 2010; Nelissen & Meijers, 2011; Rucker & Galinsky, 2008, 2009; Veblen, 1899).

Unclear how wearing a luxury product influences the self-concept and behavior.
The self is comprised of multiple aspects that serve as guides for behavior (McConnell, 2011).

The activation of a self-aspect can make people more likely to behave consistently with that aspect (Wheeler & Petty, 2001).

The self-concept includes extended selves that reflect the internalization of concepts associated with important groups (Brewer & Gardner, 1996).

Luxury products are associated with an extended self that reflects the internalization of concepts that are highly valued by society.
Luxury and Socially Valued Behavior

- Wearing Luxury Products
- Activation of Socially Valued Concepts
- Socially Valued Behavior
● Examines how wearing luxury influences persistence at a difficult task.

● Single factor (Brand type: luxury vs. non-luxury vs. control) between-subjects design.

● 120 undergraduates participated in 2 “unrelated” studies:
  – Study 1: Luxury consumption task.
  – Study 2: Anagram task (measure of persistence).
Study 1A – Luxury (Non-luxury) Manipulation

Please indicate how you feel about the brand that you selected:

- Dislike Extremely
- Dislike Very Much
- Dislike Slightly
- Neither Like nor Dislike
- Like Slightly
- Like Very Much
- Like Extremely
We would like you to write about the experience of consuming an luxury [everyday] brand. Please visualize yourself wearing a product by the luxury [everyday] brand you selected.

In the box below, spend several minutes describing how it would feel to wear the product. Please be as detailed as possible and be sure to describe the feelings, emotions or thoughts that come to your mind when you think about wearing the product.
Study 1A – Persistence task

<table>
<thead>
<tr>
<th>TREAT</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>MAJOR</td>
<td></td>
<td></td>
</tr>
<tr>
<td>BLACK</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FLASK</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CLOTH</td>
<td></td>
<td></td>
</tr>
<tr>
<td>HASTE</td>
<td></td>
<td>HATES</td>
</tr>
<tr>
<td>ANKLE</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SCOUT</td>
<td></td>
<td></td>
</tr>
<tr>
<td>MIXER</td>
<td></td>
<td></td>
</tr>
<tr>
<td>GLINT</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Study 1A – Results

The bar chart shows the results for Log Anagram Time across three categories: Control, Non-Luxury Brand Type, and Luxury Brand Type. The chart indicates that participants in the Luxury Brand Type condition had the highest Log Anagram Time, followed by the Non-Luxury Brand Type and then the Control condition.
• Examines how wearing luxury influences volunteering to charity.

• Single factor (Brand type: luxury vs. non-luxury vs. control) between-subjects design.

• 77 people in an online panel participated in 2 “unrelated” studies:
  
  – Study 1: Luxury consumption task.

  – Study 2: Amount of time donated to a local charity.
Study 1B – Results
Study 1 - Summary

- Wearing luxury product makes people more likely to display behavior that is socially valued.

- *Does the nature of the consumption experience determine whether wearing luxury leads to socially valued behavior?*

- *Are the findings due to compensatory consumption?*
Study 2 – Conspicuous Consumption

- People conspicuously display their status and wealth in order to inspire envy and to dissociate themselves from others (Han et al., 2010; Veblen, 1899).

- People often view those who conspicuously consume luxury products as snobs (Corneo & Jeanne, 1997; Leibenstein, 1950).

- The more noticeable the luxury consumption experience is, the less likely it is to promote socially valued behavior.

- People who wear a luxury product would be less likely to display social valued behavior when they are made aware that others will notice them wearing the product.
Study 2 – Design & Procedure

- 2 (Brand type: non-luxury vs. luxury) x 2 (Consumption: control vs. conspicuous).

- 119 people from an online panel participated in 2 “unrelated” studies:
  - Task 1: Luxury consumption study.
  - Task 2: Willingness to pay for locally grown products.
We would like you to write about the experience of consuming a luxury brand in public. Please visualize yourself wearing a product by the luxury brand you selected in public.

In the box below, spend several minutes describing how it would feel to wear the product in public. Please be as detailed as possible and be sure to describe the feelings, emotions or thoughts that come to your mind when you think about wearing the product in public.
Local Trade Study

Local Trade is the project that seeks to help local farmers out by offering them a reasonable price for crops like coffee, cocoa and bananas. Additionally, the movement promotes local farmers to help them sell products to companies.

In this survey, you will be asked some questions about Local Trade.

A national coffee chain is considering whether to change all of their coffee over to Local Trade coffee. However, doing so would increase the price of coffee by a certain amount.

Please indicate on the scale below how much more you would be willing to pay for coffee that was made locally (assume everything else such as the taste stays the same as your regular brand).

0% More  10% More  20% More  30% More  40% More  50% More  60% More  70% More  80% More  90% More
Study 2 – Results

![Bar chart showing comparative willingness to pay for non-luxury and luxury brands between control and conspicuous conditions.]
• Having people imagine the conspicuous consumption of luxury mitigates the effect of luxury on socially valued behavior.

• Rules out compensatory consumption as an alternative explanation.

• Purpose of the next study was to demonstrate the process:

Wearing Luxury Products \rightarrow Activation of Socially Valued Concepts
Study 3 – Design & Procedure

• 2 (Brand type: non-luxury vs. luxury) x 2 (Consumption: control vs. conspicuous).

• 44 undergraduates participated in 2 “unrelated” task:
  – Task 1: Luxury consumption study.
  – Task 2: Word search task.
Study 3 – Word Search Task

```
R S Y E I P Z S B S N Z
O C T E D U P X J T Y P
M O A J E E S V U R U G
J M V E A I A I M I O R
H P E C L Z I R P N P S
J L R L E C D T R G E A
A E N A O Y P U R E N T
B T C N F J F E C N O G
A E F D E U F V Z N X A
C N T S P E R F E C T N
E U S U M M E R B P N A
W E E W H I O F M H T O
```
Study 3 – Word Search Task

<table>
<thead>
<tr>
<th>R</th>
<th>S</th>
<th>Y</th>
<th>E</th>
<th>I</th>
<th>P</th>
<th>Z</th>
<th>S</th>
<th>B</th>
<th>S</th>
<th>N</th>
<th>Z</th>
</tr>
</thead>
<tbody>
<tr>
<td>O</td>
<td>C</td>
<td>T</td>
<td>E</td>
<td>D</td>
<td>U</td>
<td>P</td>
<td>X</td>
<td>J</td>
<td>T</td>
<td>Y</td>
<td>P</td>
</tr>
<tr>
<td>M</td>
<td>O</td>
<td>A</td>
<td>J</td>
<td>E</td>
<td>E</td>
<td>S</td>
<td>V</td>
<td>U</td>
<td>R</td>
<td>U</td>
<td>G</td>
</tr>
<tr>
<td>J</td>
<td>M</td>
<td>V</td>
<td>E</td>
<td>A</td>
<td>I</td>
<td>A</td>
<td>I</td>
<td>M</td>
<td>I</td>
<td>O</td>
<td>R</td>
</tr>
<tr>
<td>H</td>
<td>P</td>
<td>E</td>
<td>C</td>
<td>L</td>
<td>Z</td>
<td>I</td>
<td>R</td>
<td>P</td>
<td>N</td>
<td>P</td>
<td>S</td>
</tr>
<tr>
<td>J</td>
<td>L</td>
<td>R</td>
<td>L</td>
<td>E</td>
<td>C</td>
<td>D</td>
<td>T</td>
<td>R</td>
<td>G</td>
<td>E</td>
<td>A</td>
</tr>
<tr>
<td>A</td>
<td>E</td>
<td>N</td>
<td>A</td>
<td>O</td>
<td>Y</td>
<td>P</td>
<td>U</td>
<td>R</td>
<td>E</td>
<td>N</td>
<td>T</td>
</tr>
<tr>
<td>B</td>
<td>T</td>
<td>C</td>
<td>N</td>
<td>F</td>
<td>J</td>
<td>F</td>
<td>E</td>
<td>C</td>
<td>N</td>
<td>O</td>
<td>G</td>
</tr>
<tr>
<td>A</td>
<td>E</td>
<td>F</td>
<td>D</td>
<td>E</td>
<td>U</td>
<td>F</td>
<td>V</td>
<td>Z</td>
<td>N</td>
<td>X</td>
<td>A</td>
</tr>
<tr>
<td>C</td>
<td>N</td>
<td>T</td>
<td>S</td>
<td>P</td>
<td>E</td>
<td>R</td>
<td>F</td>
<td>E</td>
<td>C</td>
<td>T</td>
<td>N</td>
</tr>
<tr>
<td>E</td>
<td>U</td>
<td>S</td>
<td>U</td>
<td>M</td>
<td>M</td>
<td>E</td>
<td>R</td>
<td>B</td>
<td>P</td>
<td>N</td>
<td>A</td>
</tr>
<tr>
<td>W</td>
<td>E</td>
<td>E</td>
<td>W</td>
<td>H</td>
<td>I</td>
<td>O</td>
<td>F</td>
<td>M</td>
<td>H</td>
<td>T</td>
<td>O</td>
</tr>
</tbody>
</table>
Study 3 – Results

The bar chart shows the comparison of virtuous words found between Control and Conspicuous conditions for Non-Luxury and Luxury brand types. The chart indicates a higher number of virtuous words found in the Conspicuous condition for Luxury brands compared to the Control condition.
The size of the logo determines whether a product worn in public is conspicuous (Wilcox et al. 2009).

**Logo size will moderate the effect of luxury consumption on socially valued behavior:**

- Small logo = socially valued behavior
- Large logo = no socially valued behavior
Study 4 – Design & Procedure

- 2 (Brand type: non-luxury vs. luxury) x 2 (Logo size: small vs. large)

- 92 Parisians participated in several “unrelated” task:
  - Task 1: Sunglasses evaluation
  - Task 2: Article Choice
  - Task 3: Accessibility of virtuous words measure
  - Task 4: Charity donation
Study 4 – Sunglasses evaluation

LOUIS VUITTON

Polaroid
Polarized Sunglasses
Later in the survey, if you have the choice, would you rather read?

- An informative article
- An entertaining article
Study 4 – Word Completion Task

Perf\_ct
Compl\_t\_t
Pur\_t
Virt\_e
Id\_al
Fo\_r
Ho\_e
S\_ct\_on
Gla\_s\_s
\_og
Study 4 – Word Completion Task

- Perfect
- Complete
- Pure
- Virtue
- Ideal
- Four
- House
- Section
- Glasses
- Dog
The money in the envelope in front of you is your compensation for taking part in this study. If you want you can give part or the totality of it to the Restos du Coeur. Please leave the chosen amount in the envelope and close it. You can keep the rest for you.
Study 4 – Article choice

![Bar chart showing the choice of informative articles for non-luxury and luxury brands with small and large logos.](chart)
Study 4 – Charity Donation

![Bar chart showing the comparison of charity donation amounts for Non-Luxury and Luxury brands with Small and Large logos.]}
Study 4 – Virtuous Words Completed

![Graph showing Virtuous Words Completed for different Brand Types and Logo sizes.]

- Small Logo
- Large Logo

- Non-Luxury
- Brand Type
- Luxury
Luxury consumption can lead people to engage in socially valued behavior.

Depends on whether the consumption experience is conspicuous.

Results complement research suggesting that firms should focus the efforts on inconspicuous luxury consumption:

- Inconspicuous logos reduce the demand for counterfeit versions of the products (Wilcox et al. 2009)

- People are willing to pay more for products with inconspicuous logos (Han et al. 2010)
Questions?