

Conspicuous Consumption: A Preliminary Report of Scale Development and Validation

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EXTENDED ABSTRACT

Since conspicuous consumption was proposed by Thorstein Veblen in 1899, it has been extensively discussed in the field of economics. As the *Veblen effect* indicates, the demand for consumer goods is increased when its price is higher than that of others (Leibenstein 1950). In Veblen's time, what motivated conspicuous consumption was the desire to gain prestige from others via accumulation of wealth or luxury goods.

However, conspicuous consumption behavior today has become more sophisticated and subtle (Trigg 2001). The meaning of conspicuous consumption has changed with the evolution of societies and consumption value. Thus, the main components of conspicuous consumption vary today. As consumers employ product symbolism for their social interaction (Belk 1985, Holbrook and Grayson 1986, Kleine, Kleine and Kernan 1993, Laverie, Kleine and Kleine 2002, Richins 1994, Solomon 1983), conspicuous consumption does not only mean the ostentation of wealth, but also the ostentation of something symbolic to specific reference groups in order to gain their recognition or prestige.

In the field of consumer behavior, conspicuous consumption is a relatively less explored construct. The only existing scale (Marcoux, Filiatrault, and Cheron 1997) was ad hoc designed for certain research context and limits its generalizability. Besides, as the content of conspicuous consumption changes over time, the need for an appropriate definition and measurement of this special consumer behavior in today's society has emerged. Hence, the objective of the present study was two-fold. First, through a literature review, the content of conspicuous consumption was clarified. Second, based upon the new definition and major dimensions, we developed a scale for measuring behavioral tendencies of conspicuous consumption following the rigorous procedures suggested by Hinkin (1998).

Drawing from the literature review in economics, sociology, and marketing (Page 1992, Mason 1981, Mason 1982, Mason 1998, Shipman 2004, Solomon 1983, Trigg 2001), we defined conspicuous consumption as "the extent of one's behavioral tendency of displaying one's social status, wealth, taste or self-image to one's important reference groups through consumption of publicly visible products." Using a deductive approach, we integrated past theory and research to derive four key dimensions underlying conspicuous consumption, which are conspicuity for aspirant group, conspicuity for uniqueness, conspicuity for conformity, and conspicuity for status.

Followed standard psychometrical procedures for scale development (Hinkin 1998), there are five phases in the scale development and validation.

Item generation. Initially, all potential items were written referring relative literatures to reflect the conceptual definitions of the four dimensions. After we ensured that all items were articulated in consistent terms, written in concise statements, and dropped redundant items, 75 positively worded items were remained in the item pool.

Content validity and questionnaire administration. This phase was assessed by nine Ph.D. students, who served as expert judges. The result of this analysis showed an overall SAI of .84, which indicated a high level of correct matching. After items with a high

degree of inconsistency were deleted, a total of 41 items with content validation were retained. For convergent validity, the previous conspicuous consumption scale (Marcoux et al., 1997) and the interpersonal influence scale (Bearden, Netemeyer, and Teel 1989) were measured. Besides, the self-esteem scale (Rosenber, Schooler, and Schoenbach 1989) was used to examine discriminant validity. Further, we also measured consumer's actual conspicuous brand consumption behavior to verify criterion related validity. Meanwhile, an additional independent survey conducted to identify the conspicuity of the brands. In the administration stage, all data were collected from 317 undergraduate students. This sample size reached an acceptable item-to-response ratio of 1:7 (Hinkin, 1998). Then, we randomly assigned all samples into two groups for exploratory factor analysis (EFA) ($N=158$) and confirmatory factor analysis (CFA) ($N=159$).

Exploratory factor analysis. The principle factor method and oblique rotation were adopted, without specifying the number of factors in the first run. The results indicated that the first four extracted factors fell into the domain of our dimensions. Next, four factors were specified in the second EFA estimation, and 30 items remained, of which all factor loadings were over .4.

Confirmatory factor analysis. CFA processed with the LISREL 8.51 program, we deleted items with modification indices exceeding 3.85. The final 15 items had a good model fit ($GFI=.91$, $RMSEA=.06$).

Reliability and construct validity. Scale validation, regarding the response bias, the correlation between our scale and the social desirability scale was insignificantly low, which eliminated this concern. The Cronbach's Alpha, CFA indexes, and MTMM results indicated the good reliability and validity of this scale. First of all, the Cronbach's Alphas of the four dimensions were all above .7, which indicated high reliability. Second, the convergent and discriminant validity was verified by the high correlations between our scale and Marcoux scale. The low correlation between our scale and the self-esteem scale provided the evidence of good discriminant validity.

As for the criterion related validity, evidence of a nomological network was investigated. The significant correlation between our scale and the interpersonal influence scale indicated the first evidence of good criterion-related validity. Second, we also conducted hierarchical regression, using both the new scale and the existing Marcoux scale to compete for their predictability of consumers' conspicuous brand purchase. The result showed that our scale had a significant 3% additional explanatory power after the Marcoux scale had entered the model before our scale. In contrast, there was no significant R-square increase for the Marcoux scale if our scale entered the regression first. This result provided further evidence of the criterion related validity of our scale.

This article developed four key dimensions and the measurement scale to capture the definition of conspicuous consumption. According to these four dimensions, society value sets up the standard of what represents status symbols; fashion leaders in aspirant groups drive the trendy style and the public mimics, from the peer leaders to the peer followers. This notion is quite different from the conspicuous consumption in Veblen's time, only limited to the wealth ostentation via luxury goods. In the

society which encourages materialism, this preliminary finding of conspicuous consumption indeed provides a new perspective for future research.

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The three authors contributed equally to this research. The authorship was decided by dice.

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