AN EXAMINATION OF THE RELATIONSHIPS BETWEEN SELF-PERCEPTIONS, CONSPICUOUS CONSUMPTION, AND SAVING BEHAVIOR

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Abstract: This paper seeks to examine (1) the effects of social status and the three major components of self-esteem, performance, appearance, and social self-esteem, on conspicuous consumption and (2) the impact of conspicuous consumption on saving behavior. The relationships substantiated in this study are based mainly on the perception-behavior linkage within the social psychology domain. The data used to analyze the proposed relationships in this study were collected through an on-line survey, with a final sample size of 268 consumers. The findings show that only social status and the social dimension of self-esteem significantly affect conspicuous consumption. Surprisingly, we found no relationship between conspicuous consumption and savings. The results are discussed, along with suggestions for future research.

Keywords: Social Status, Self-Esteem, Conspicuous, Consumption, Saving

1. Introduction

People consume products and services to fulfill the needs in their everyday lives. Consumers purchase products or services not only because of their functional benefits but also to gain emotional benefits. One consumption phenomenon that can benefit consumers emotionally is consuming luxury products, which allows them to display their wealth and social status to boost their self-concept (Souiden, M'Saad, & Pons, 2011). Conspicuous consumption can be found in consumers within all social classes because consumers seek social approval and to boost their self-esteem (Johansson-Stenman & Martinsson, 2006). People of various social statuses can use conspicuous consumption to show the social class to which they belong. Perceived social status, together with one’s self-esteem, are important factors in determining one’s level of conspicuous consumption. Consumers with low self-esteem are more likely to use conspicuous consumption to maintain their self-esteem and gain social approval (Johansson-et al., 2006; Mason, 1999). While this kind of consumption may benefit luxury brand producers, it may have negative consequences in terms of some consumers’ wellbeing because it can lead consumers into deep financial liabilities.

Based on the above-mentioned phenomenon, it is the aim of this study to examine the inter-relationships among some of the key variables that appear to have some strong linkages with conspicuous consumption: social status, self-esteem, and saving behaviors. All of these constructs are linked together based on the general perception-behavior connection within social psychology (Chartrand & Bargh, 1999; Dijksterhuis &

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