

## **A STUDY ON CONSPICUOUS CONSUMPTION OF FMCG PRODUCTS IN TIRUCHIRAPPALLI**

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### **INTRODUCTION**

The word 'conspicuous' here means lavish or wasteful spending. This kind of spending is generally made by people who have considerable amount of disposable income to spend on goods and services which are not necessary, but are more luxurious in nature. The concept is not new and has been part of society for long. This particular type of consumption is typically associated with the rich and wealthy and has only grown with time.

The term 'conspicuous consumption' was first coined by American Economist Thorstein Veblen in his book in 1889, "The theory is dynamic and has only evolved over the period of time with people searching for new ways of creating and displaying wealth.

If we have to look at our society, there are many examples of conspicuous consumption. Designer clothes, Expensive Jewel, Luxury cars, etc are some of examples which come under forms of conspicuous consumption. In the above examples we find that conspicuous consumers often buy those goods or services which are too expensive for other classes of society. They buy these expensive items to show that they are a class above or to show their spending power.

Advertising plays a major role in placing the product as a luxury item in the mind of consumers. The product has to be elegant, exclusive (branded bag, jewels etc) or tailor made for the consumer.

## **DEFINITION**

Conspicuous consumption is the practice of purchasing goods or services to publicly display wealth rather than to cover basic needs.

## **NEED FOR THE STUDY**

Conspicuous consumption is done on the basis of interpersonal influence of society. It is related to human psychology. So it is necessary to study the minds of consumer in case of marketing of any product. It helps us to understand the important role of consumption in the growth of economic markets and modern society's obsession with material possessions. It provides a view of why a consumer engages in conspicuous consumption. There is also a purpose to study about the variables like status and recognition in society which influence conspicuous consumption. In this study the Dependent variable of conspicuous consumption is money which we are spending and the Independent variable is the influence made.

## **OBJECTIVES OF THE STUDY**

- 1) To analyze the consumer buying behavior towards the expensive products.
- 2) To examine the factors which are influencing the consumer for conspicuous spending in FMCG.
- 3) To identify the promotional strategies which motivate the consumers for conspicuous consumption.
- 4) To examine whether the conspicuous consumption is good or bad for society and for consumers.
- 5) By exploring the data, extract the findings and provide suggestions.

## **METHODOLOGY**

The study comprises of primary and also secondary data.

**Primary Data:** For primary data collection, researcher used Questionnaire and collected data through online from 95 respondents for the study.

**Secondary Data:** For secondary data collection the researcher gets information from many websites and journals.

**Sample Size and Method:** For this study in “Conspicuous Consumption of FMCG” Researcher has taken 95 respondents as sample size. Researcher has used convenient sampling method which involves sample being drawn from that part of the population that is close to hand.

## REVIEW OF LITERATURE

Aastha V. Vohra (2016), explained that various authors have implicitly or explicitly defined materialism, impulse buying and conspicuous consumption as behavioural traits; such as demographics, globalization, family structure, store environment, usage of credit cards, fashion, social status, Artistic stimuli, culture, reference groups etc. Findings show that the important common factors that collectively affect all the three traits in a consumer are globalization, consumer demographics and culture.

P.S.Chacko, Hareesh N.Ramanathan (2015), examine the extent of materialism and conspicuous consumption in a consumption based economy like Kerala. This study explores the comparative Prominence of the sub-traits of materialism. Results of the survey showed that though materialism was high among respondents, conspicuous consumption was just above average. The study also showed that possessiveness was the major materialistic trait that was found prominent among consumers followed by Non-generosity and envy.

Gupta (2009) concluded in his study that consumption behaviour of the Indian consumers should be understood in the light of specific cultural context in which it takes place because Asian culture is based on the interpersonal construal of self. Asian value group goals are more high and there are cultural factors underlying luxury consumption. While conspicuous consumption may be global, the perception of its desirability and its motivation seems to be founded on cultural values.

Profile of the study Conspicuous Consumption was first coined by Veblen (1899) to describe the behavior of wealthy people who used extravagant consumption of goods as a way to signal their higher status in society. The act in itself carries specific meanings that can be seen and recognized by the public status in society. The act in itself carries

specific meanings that can be seen and recognized by the public. Here the researcher is going to see some branded clothing and Luxury cars' company profiles.

### **Branded Garments:**

- 1) Raymond group is an Indian branded fabric and fashion retailer, incorporated in 1925. It produces suiting fabric, with a capacity of producing 31 million meters of wool and wool-blended fabrics.
- 2) Peter England was founded in 1889, Londonderry, Ireland to provide British soldiers with fine Khaki trousers during the Boer War. More than that a century later, Peter England made its foray into the Indian market in 1997.
- 3) Allen Solly was founded in 1744 by William Hollin & Co. Ltd. The brand was brought in the 90's by a company called Madura Garments. Madura Garments was a part of Madura coats and a big producer of threads. Aditya Birla Group acquired Allen Solly.
- 4) Louis Philippe is a premium Japan brand of men's apparel. A subsidiary of Madura Fashion & lifestyle, a division of the Aditya Birla Group, the brand was founded in 1989. Named after Louis Philippe, king of France from 1830 to 1848, the brand is one of the largest apparel brands in India, as of 2018.

### **Luxury Cars:**

- 1) Audi is a German automobile manufacturer that designs, engineers, produces, markets and distributes luxury vehicles. Audi is a member of the Volkswagen Group and has its roots at Ingolstadt, Bavaria, Germany
- 2) Skoda auto India private limited is located in Aurangabad, Maharashtra, India and is part of the Automobile Manufacturing Industry. Skoda auto India private limited has 865 total employees across all of its locations and generates 10 million in sales (USD). There are 2,994 companies in the Skoda auto India private limited corporate family
- 3) Volvo cars stylized as Volvo, is a Swedish luxury vehicle brand and a subsidiary of the Chinese automotive company. It is headquartered in Torslanda in Gothenburg, Sweden
- 4) The Maruti Suzuki Vitara Brezza is a subcompact crossover SUV manufactured by Maruti Suzuki. It was unveiled at the 13th Auto Expo in 2016. It is the

company’s first attempt in the subcompact crossover segment and their fourth attempt in the SUV market.

**ANALYSIS AND INTERPRETATION**

Among the 95 respondents 45 respondents are male, 46 respondents are female and 4 respondents are transgender.

In other words, 47% are male, 48% are female and 4% are transgender

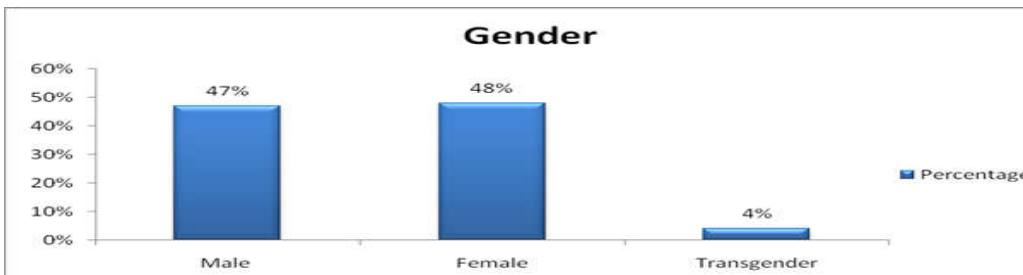


Table 1

Among 95 respondents, 32 respondents belong to private sector, 23 respondents belong to government sector, 25 respondents belong business sectors and 15 respondents belong to other categories.

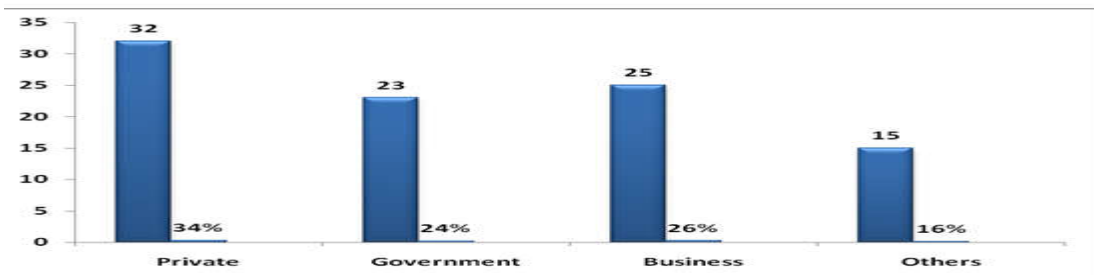


Table 2 Among 95 respondents, 32 respondents belong to private sector, 23 respondents belongs to government sector, 25 respondents belongs business sectors and 15 respondents are categorized to other occupation.

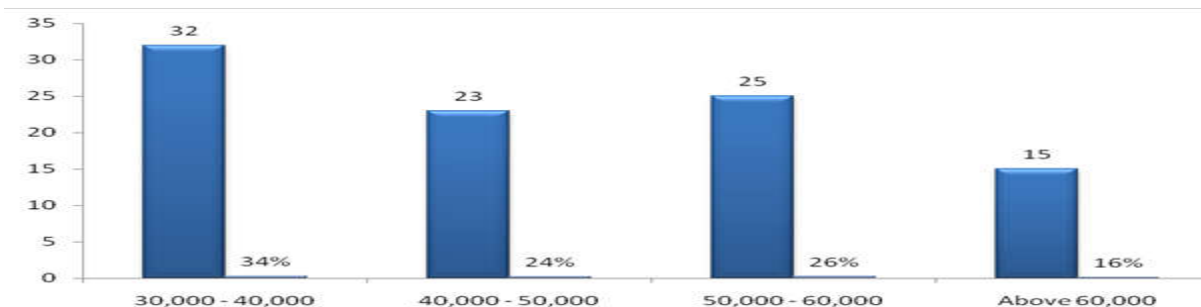


Table 3 Among 95 respondents, thirty two respondents get monthly to 30,000 – 40,000 rupees, twenty three respondent get 40,000 – 50,000, twenty five respondents get 50,000 – 60,000 and fifteen respondents monthly income are above 60,000.

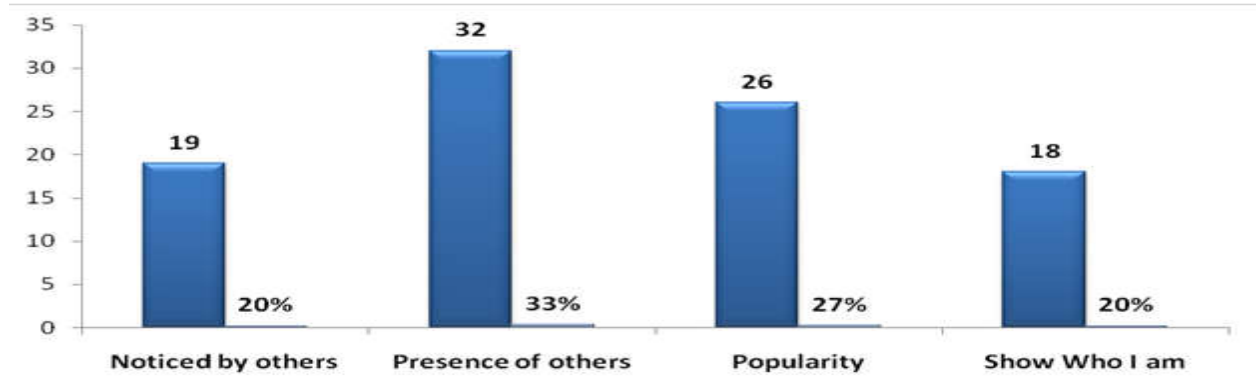


Table 4 Among 95 respondents, 19 respondents agreed with noticed by others, 32 respondents agreed that presence of others makes them engage in conspicuous consumption, 26 respondents agreed with popularity, 18 respondents agreed with show who i am , so they engage in conspicuous consumption.

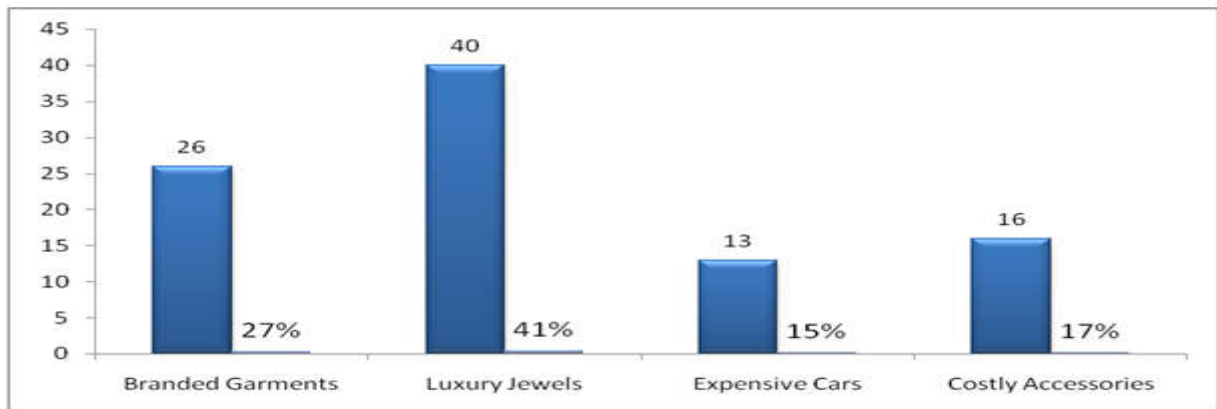


Table 5 Among 95 respondents, 26 respondents purchase branded garments frequently, 40 respondents purchase luxury jewels frequently, 13 respondents purchase expensive cars, 16 respondents purchase costly accessories frequently

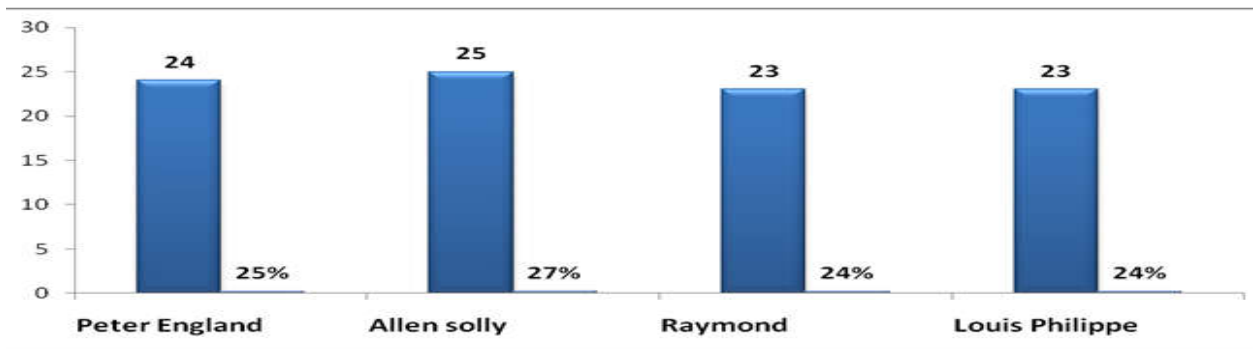


Table 6 Among 95 respondents, 24 respondents give their preference to Peter England, 25 respondents give their preference to Allen Solly, 23 respondents give their preference to Raymond, 23 respondents give their preference to Louis Philippe.

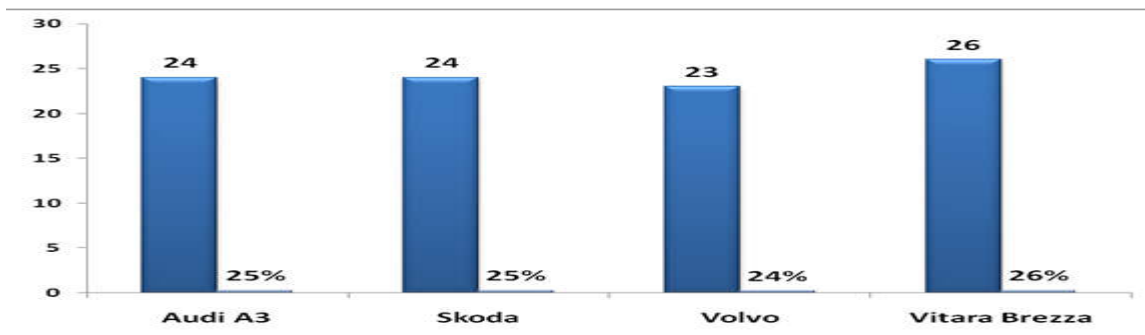


Table 7 Among 95 respondents, 24 respondents give their preference to Audi A3, 24 respondents give their preference to Skoda, 23 respondents give their preference to Volvo, 26 respondents give their preference to Vitara Brezza.

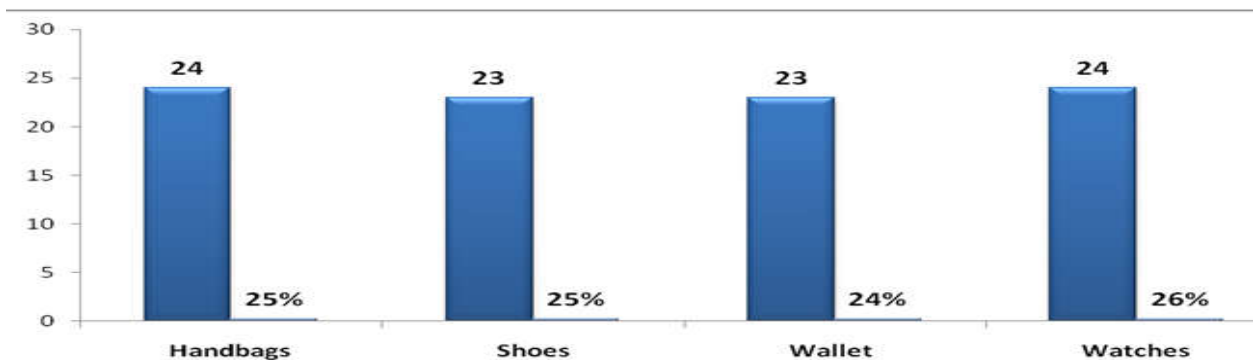


Table 8 Among 95 respondents, 24 respondents give their preference to Handbags, 23 respondents give their preference to SHOES, 23 respondents give their preference to Wallet, 24 respondents give their preference to Watches.

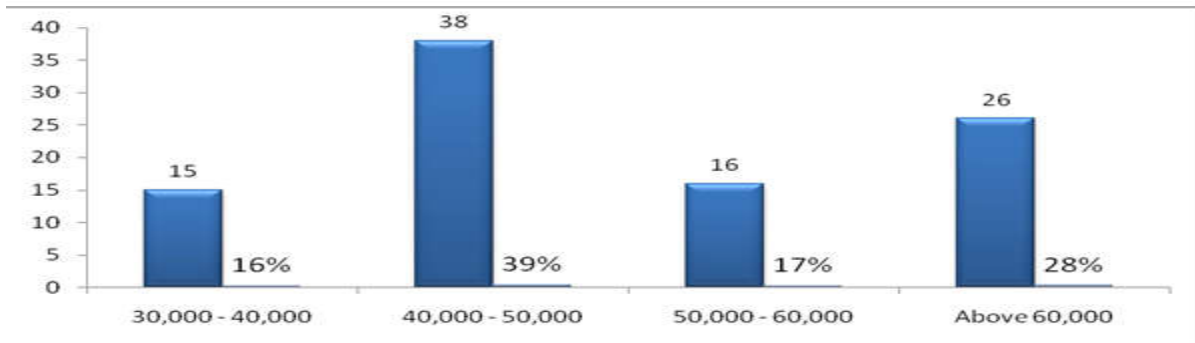


Table 9 Among 95 respondents, 15 respondents spend between 30,000-40,000 per year, 38 respondents spend between 40,000-50,000 per year, 16 respondents spend between 50,000-60,000 per year, 26 respondents spend above 60,000 per year.

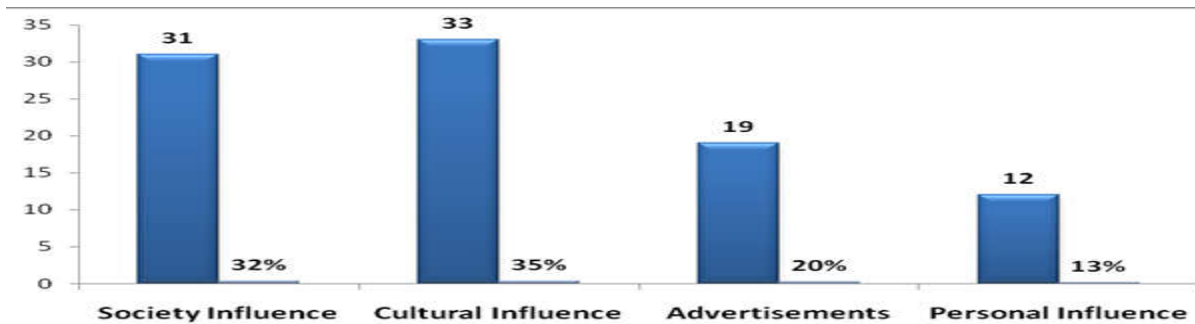


Table 10 Among 95 respondents, 31 respondents agree with society influence which makes them for Extravagant spending, 33 respondents agree with cultural influence, 19 respondents agree with advertisements, 12 respondents agree with personal influence.

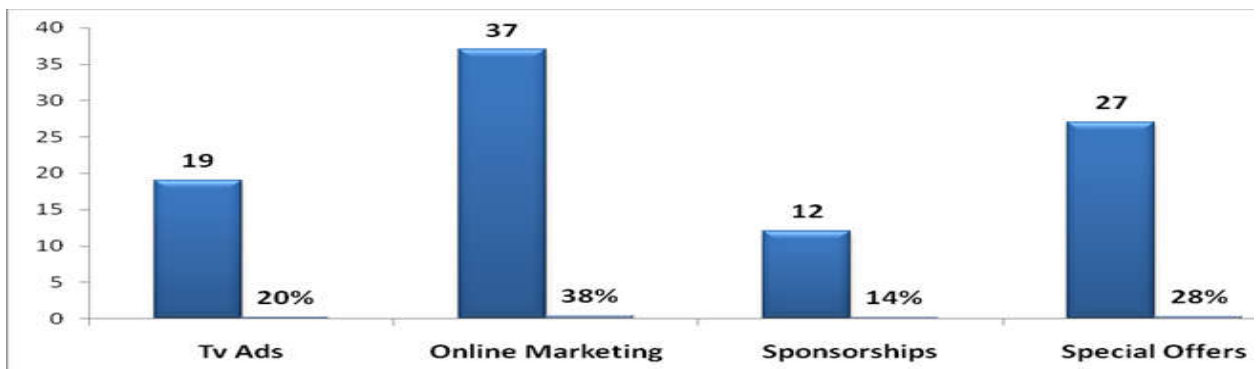


Table 11 Among 95 respondents, 19 respondents agree with TV ads which influence the respondents for conspicuous consumption, 37 respondents agree with online marketing,



12 respondents agree with sponsorships, 27 respondents agree with special offers drives of the customer to be attracted towards conspicuous consumption.

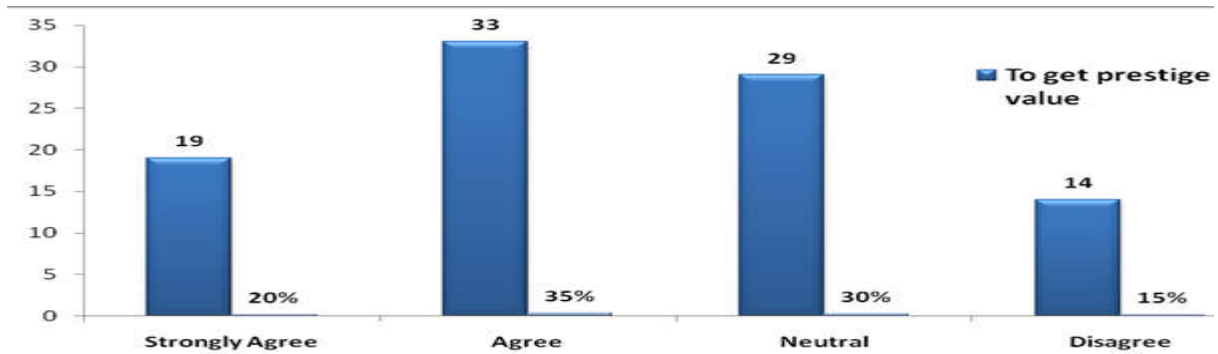


Table 12 Among 95 respondents, 19 respondents strongly agree with to get prestige value is what they derive from conspicuous consumption, 33 respondents agree with to get prestige value, 29 respondents give neutral responses, 14 respondents disagree with to get prestige value.

The Time Taken to decide for purchasing luxury products

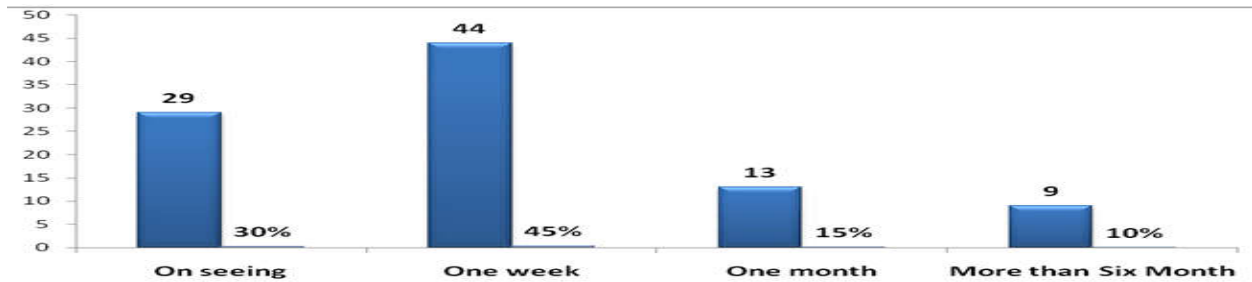


Table 13 Among 95 respondents, 29 respondents decide to purchase on seeing the product, 44 respondents take one week time for deciding to purchase the product, 13 respondents take one month, 9 respondents takes more than six months.

What has made the conspicuous consumption is important.

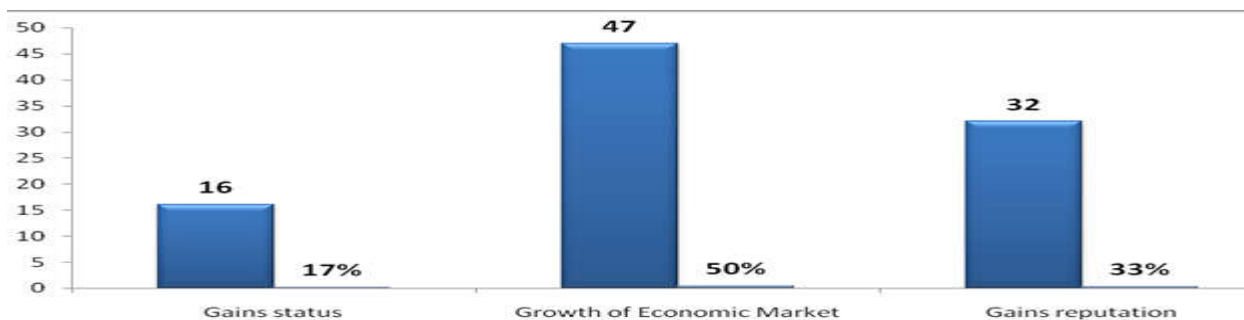


Table 14 Among 95 respondents,16 respondents say that conspicuous consumption is important because it gains status, 47 respondents says that it increase the growth of economic market, 32 respondents says that it gains reputation.

## FINDINGS

- The majority of Respondents (37%) belong to the age group of 20-30.And they belong to (34%) in Private sector. The largest percentage (34%) family income is between 30,000-40,000. It is found that the majority of the respondents who are not aware about the conspicuous consumption, 45% are the major response from the respondents they make purchase between 6 Months, 33% are the highest information provided by the respondents that presence of others makes them engage in conspicuous purchase.In Expensive product preference, 27% is the highest information provided by the respondents that they prefer Allen Solly in Branded Garments26% is the highest information provided by the respondents that they prefer Vitara Breeza in Cars segments.25% give their highest preference towards watches and Handbags. In majority, 39% say that they spend between 40,000-50,000 per year for Conspicuous Consumption. 35% are the highest information provided by the respondents that Cultural Influence is the major thing which makes them do extravagant spending.
- Majority of respondents strongly agree that price is the major factor which influences r Conspicuous Consumption. Nearly half of them opine that the highest information provided by the respondents that they agree that quality is the factor which influences conspicuous consumption. The majority of respondents say that online marketing is the promotional strategy which influences Conspicuous Consumption.

## SUGGESTIONS

- Most of the people don't have awareness. It is necessary to make awareness about Conspicuous Consumption.
- Conspicuous Consumption is not totally bad. It is somewhat good because it increases the growth of Economic Market.

- It is suggested that the product we buy should have self satisfaction but through this study we can understand that everyone is making the purchase to show off their wealth and gain reputation.
- Many of them agree that they always have the guilt of Conspicuous Consumption. So to overcome that we need to purchase the product according to our consumption level and not to compare with any of them.
- Through this study we can understand that upper middle class people are the majority of the people who made conspicuous consumption, because they are very much conscious about society, but we need to live for our self and not for others.
- By spending more on luxurious products, at one point of time when there is an emergency we need money there will be no hope for us to get money. That is the major consequence of Conspicuous Consumption.

## CONCLUSION

Conspicuous Consumption is generally seen by researchers as a process or means to achieve or maintain status and other social benefits, mainly through the consumption of luxury goods. It is not a recent phenomenon. It can be found even in the antique civilizations and has always been present with periods of rising and falling down, related to social, economic and political background.

Higher level of education makes them prefer highly luxurious consumption because of flexible financial structure and influence of society. Mostly this type of consumption is made by middle aged group consumers who are more socially attached to the society. Women also play an important role in this consumption pattern, because they are highly influenced by society. This type of consumption is made mostly by upper middle class people. Even though we cannot say that conspicuous consumption is bad, it is good to some extent because it increase the growth of Economic Market. The conspicuous consumption has to be changed to conscious consumption. If any emergency situation arises related to health, at that time we cannot afford hospital bills means, we realize that we might have done Conscious consumption that is of no use at that time. So we have to purchase product only for self satisfaction not for society.

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