

An Empirical Study on Urban Materialism and Consumer Opportunity

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Abstract - Materialism is the 'devotion to material desires, to the neglect of spiritual matters; a way of life, based entirely upon material interests' (The Oxford English Reference Dictionary, 1995). The materialism of the consumer represents the degree of attachment a consumer has to worldly possessions. The increased exposure of the consumer to occidental culture through media and in the backdrop of rapid economic growth and transforming societal norms in the urban parts of the country, an empirically oriented analysis was required to understand the details of the consumer materialistic tendencies. The tendency of materialism fetches both novelty and challenges for marketers in order to stabilize the demand and adding values to their products.

The study is confined only to Bhubaneswar city and attempted to investigate the significance of gender difference in terms of materialistic tendencies of urban consumers to ensure availability of a valid and reliable means of measuring individual differences. The sample size consisted of 96 respondents under the age of 30, residing in the city of Bhubaneswar. Materialism was measured using the Richins and Dawson (1992), 18 - item, 5 - point, agreement - disagreement scale and subjected to t - test in order to compare materialism among the two independent samples consisting of men and women. The study revealed that in two of the eighteen variables used to measure materialism, there exists a significant difference between the materialistic tendencies of men and women living in urban India.

Keywords: urban consumers, wellbeing, Novelty, Materialism, values, satisfaction.

INTRODUCTION:

Materialism is the 'devotion to material needs and desires, to the neglect of spiritual matters; a way of life, opinion or tendency based entirely upon material interests' (The Oxford English Reference Dictionary, 1995). The materialism of the consumer represents the degree of attachment a consumer has to worldly possessions. Materialism as a personality trait is a key driver to the consumption tendencies of the target market. Materialism is an inherent part of humankind and has existed since time immemorial. However, consequent to the increased exposure of the consumer to occidental culture through print

and electronic media and in the backdrop of rapid economic strides and transforming societal norms in the urban parts of the country, an empirically oriented analysis was required to understand the details of the consumer materialistic tendencies. The concepts of materialism as an inherent constituent of life has been of interest to different streams of study e.g. philosophy, theology, sociology, political science and marketing. In the field of marketing, owing to the increasing relevance of materialism in consumer behavior, efforts have been made in recent years to study, analyze and interpret materialism. Materialism has become an inherent part of consumer behaviour world over. As per a global survey conducted by Synovate (2006) comprising of 5500 respondents across 10 countries (India, China, Canada, France, Hungary, Romania, Saudi Arabia, Slovakia, Taiwan and Thailand), respondents under the age of 35 are the most attached to electronic devices while 45% of the respondents said they could not live without their mobile phones. This inclination towards consumption and possession is prevalent and growing in urban India due to the rapid economic strides that the country has made in the last decade.

The growing working population in India and the increasing per capita income are responsible for the growing demand for lifestyle products and services. Indians are consuming more than ever before. This desire for consumption and possession, two very significant aspects of materialism, has resulted in an increase in discretionary spending by 16% for the upper and middle class Indians (CII & Price Waterhouse Cooper, 2005). According to India Luxury Trends 2006, India has over one million consumers for luxury goods which is greater than the adult population of several countries and this number is expected to treble by the year 2010 (The Knowledge Company, 2006). The tendency of materialism fetches both novelty and challenges for marketers in order to stabilize the demand and adding values to their products.

The study is confined only to Bhubaneswar of Odisha. Since the lifestyle and other parameters are not much different from what exist in the area of survey. The socio-economic and political changes contributed to a great extent of changes in the lifestyles of people who patronized materialism. The author believes that this necessitates a thoroughly scientific investigation into the materialistic tendencies of urban Indian consumers to ensure availability of a valid and reliable means of measuring individual differences in materialism. Finally this

paper also seeks to find out the important factors responsible towards promoting materialism amongst urban consumers.

OBJECTIVES OF THE STUDY:

In the backdrop of these drastic changes that the urban Indian consumer is being subjected to, it would be interesting to find out if the Richins & Dawson (1992) scale is free from the myopia of cultural ethnocentrism and economic bias, with specific reference to India. Therefore, while focusing on materialism in urban Indian consumers, the study intended to probe the following aspects:

1. To determine the underlying dimensions of materialism prevalent in urban Indian consumers.
2. To find out if the materialistic tendencies differ between men and women.

LIMITATION OF THE STUDY:

There are several limitations that need to be acknowledged. The prime limitation is the time factor i.e., the short time duration is the most obstacles to complete the study. The data were collected in a small sample and due to busy schedule of customers and also personal problems etc. It is very difficult to get information from them. Finally the data collection is affected due to personal bias of the customers. A limitation of the research presented here is the exclusive use of questionnaire based measures in order to assess convergence. In order to improve our limited understanding, the present research therefore examines materialistic value endorsement as a factor that may make individuals more vulnerable to compulsive buying. Some of the biggest limitations during the study are emotional factor, time and interest of the respondents while attending the questionnaire.

THEORETICAL FRAMEWORK:

Materialism is the 'devotion to material needs and desires, to the neglect of spiritual matters; a way of life, opinion or tendency based entirely upon material interests' (The Oxford English Reference Dictionary, 1995). The AC Nielsen Online Consumer Confidence and Opinion Survey, polling over 23,500 respondents in 42 markets from Europe, the Asia-Pacific, North America, South America, 66% of Indians are willing to purchase what they desire and are excited about trying out new products and services. The Indian consumers were found out to be the most optimistic with India finishing at the top of AC Nielsen's global ranking by scoring a confidence

index of 132 points – 9 points ahead of the world's second most optimistic nation, New Zealand (AC Nielsen, 2006).

Materialism has been conceptualized and measured in three main ways: as a set of personality traits (e.g., Belk, 1985), as a priority of financial aspirations over other (more intrinsic) goals (e.g., Ryan & Deci, 2000), and as a value orientation. This last approach conceives of materialistic values as a "set of centrally held beliefs about the importance of [material] possessions in one's life" (Richins & Dawson, 1992, p. 308), and is best suited for our purposes, because it assesses materialism as strength of value commitment in terms of three components: centrality, success and happiness. Centrality refers to the belief that material possessions and money are important, to a desire for luxury, and to the pleasure of buying and having expensive things. Success encapsulates the tendency to use money and goods as the main way of evaluating one's own and others' achievements in life, the desire to impress people with material things, and to admire those who own expensive possessions. Happiness describes the conviction that acquiring and owning nicer and better things leads to personal happiness, enjoyment, and a better life.

The materialism of the consumer represents the degree of attachment a consumer has to worldly possessions. Belk introduced the idea of materialism as a personality trait. Materialism, as a personality trait, distinguishes between individuals who regard possessions as essential to their identities and their lives and those for whom possessions are secondary (Belk, 1985). The three traits that he used are: possessiveness - the inclination and tendency to retain control or ownership of one's possessions (Belk, 1983), non-generosity - an unwillingness to give possessions or to share possession with others (Belk, 1984), and envy - an interpersonal attitude involving displeasure and ill-will at the superiority (of another person) in happiness, success, reputation, or the possession of anything desirable (Belk, 1984).

However, Richins and Dawson's scale (Richins & Dawson, 1992) has been equally popular due to its higher reliability scores (Graham, 1999). The scale conceptualizes materialism broadly as "a value that guides people's choices and conduct in a variety of situations, including but not limited to, consumption arenas (Richins & Dawson, 1992).

The scale is based on three dimensions or "orienting values": acquisition centrality - , materialists place possessions and their acquisition at the center of their lives, acquisition as the pursuit of happiness - view (possessions and their acquisition) as essential to their satisfaction and well-being in life, and possession defined success - judge their own and others' success by the number and quality of possessions accumulated (Richins & Dawson, 1992).

The existing literature on materialism can be categorized into three groups (Kamineni, 2005).

1. Acquisition and possession-defined materialism;
2. Instrumental and terminal materialism;
3. Measurement of materialism through related constructs.

Materialism can also be thought of as a style of consuming that structures the society into classes through distinctions that are situated in cultural capital that people possess. This cultural capital can be seen as set of socially rare and distinctive tastes, skills, knowledge and practices that classifies people regardless of what they consume. Materialism may, thus, refer to the cultural understandings that are inscribed in consumption practices rather than the quantities and physical characteristics of consumption objects (Holt, 1998).

As an individual phenomenon, materialism refers to label a person who values material objects highly (Larsen et al., 1999). In other words, individuals who value materialism pursue material possessions and the accumulation of income and wealth (Richins and Dawson, 1992). As a socio-cultural phenomenon, materialism refers to cultures in which the majority of the people in the society value material objects highly (Larsen et al., 1999). Larsen et al. (1999, p. 83) noted “there is no integrated theory of materialism; ideas about the causes of materialism may be derived from a wide variety of theoretical and ethical perspectives.” Consequently, scholars have proposed conceptual framework for materialism. In the present study, Larsen et al.’s (1999) four perspectives on materialism framework are discussed. This framework employs a 2 x 2 matrix, based on materialism’s antecedents (innate/learned) and consequences (good/bad). The four perspectives on materialism framework are depicted in Table 1.

Table – 1: Four perspectives on materialism framework

	Innate	Learned
Good	Epicurean Perspective	Bourgeois Perspective
Bad	Religious Perspective	Critical Perspective

Source: (Larsen et al., 1999, p. 79).

Earlier, it was noted the term “materialism” has negative as well as positive connotations. Accordingly, scholars have defined materialism, with an implicit (negative or positive) connotation. The following paragraphs briefly address this issue. Researchers (e.g., Larsen et al., 1999; Scott, 2009) have noted this is the dominant conceptualization in materialism research. Furthermore, Swagler (1994) noted materialism has a negative connotation among the general public.

According to this perspective, materialism is an innate quality, which is good (Larsen et al., 1999). Epicurus, an ancient Greek philosopher, endorsed this perspective. Larsen et al. (1999) noted that Epicurus believed immediate sensations of pain and pleasure were the only real things. Materialism, as innate and bad, is a dominant perspective held by various religions (Larsen et al., 1999). Larsen et al. noted the religious perspective holds that human beings are born corrupt or fallen, with an unholy and unreasonable desire to amass things.

Materialism has important consequences at an individual-level as well as a societal-level (Larsen et al., 1999). In general, the negative consequences related to materialism are well-documented (Scott, 2009). In the following paragraphs, the negative consequences related to materialism are discussed, both at an individual-level as well as a societal-level (for positive consequences, e.g., see Scott, 2009). Materialism in consumer behavior and marketing: Several studies have demonstrated negative individual consequences of materialism. Materialism is positively related to various psychological illnesses (Kasser and Ryan, 1993), conflicts between spouses (Paduska, 1992), tendency to engage in shoplifting (Larsen et al., 1999), more favorable attitude towards borrowing (e.g., excessive use of credit cards) and are less likely to engage in saving money. Kasser (2002) reported materialistic adolescents were more likely to engage in negative behaviors, which include alcohol abuse and marijuana abuse. Not surprisingly, happiness studies focusing on materialism have found a negative relationship between materialism and happiness.

Belk (1985) mentioned labeling someone as a materialist is no compliment. Consistently, a priori negative conceptualizations of materialism are conceived by academic scholars. Materialism is a complex phenomenon, which arises due to the interplay between individual and socio-cultural aspects. Considering materialism as a function of an individual’s collective personality traits, evolutionary traits (Scott, 2009), or personal values (Richins and Dawson, 1992) is oversimplified. Due to the prevalent negative notion related to materialism, it has been labeled as a dark side variable. A materialist is an individual who places importance on worldly possessions (Belk, 1985), possessions (Richins and Dawson, 1992) or extrinsic goals such as money and fame.

Based on the discussions in the preceding sections, it is evident that the concept of materialism needs a new conceptualization. This sentiment has been echoed by various scholars. One particular newer materialism conceptualization proposed by Shrum et al. (2012) has the potential to overcome the existing drawbacks. At the broadest level, this conceptualization has some advantages. They are: (1) no a priori expectations and (2) integration of existing materialism conceptualizations (Shrum et al., 2012). They conceptualized materialism as, “the extent

to which individuals attempt to engage in the construction and maintenance of the self through the acquisition and use of products, services, experiences, or relationships that are perceived to provide desirable symbolic value.” The following paragraphs illustrate some of the advantages related to Shrum et al.’s (2012) materialism conceptualization.

This gender difference in compulsive buying is not explained in previous research. It is, however, consistent with research that demonstrates stronger psychologically motivated buying in women. Emotional and identity-related dimensions of shopping are more important for women than for men (Babin et.al., 1994). Women tend to have positive attitudes towards browsing, shopping, and social interaction, associating buying with a ‘leisure frame’, whereas men’s attitudes tend to be negative, seeing buying in a ‘work frame’, as a task that they want to accomplish with the minimum input of time and effort (Campbell, 2000).

A number of literatures on materialism address gender differences that could possibly lead to different materialistic levels. In some cross-culture studies conducted by Eastman et al., (1997), results show that males tend to place more emphasis on achieving success with worldly possessions. However, the difference is quite subtle and complicated. In the case of durable goods such as cars, men are much more disposed towards conspicuous consumption than women (Bloch, 1981). Nevertheless, in the market of high fashion clothing, women are more prone to conspicuous consumption than men, and they use apparel more often than males to show status and construct identity (O’Cass, 2001). These results are consistent with the gender differences that men value independence and activity, while women are more emotionally and relationship oriented (Dittmar, 1989).

This paper is conceptually-focused, in that, it explores various materialism conceptualizations and measurement scales, which are widely employed in consumer behavior and marketing studies. Consistently, in this section: (1) materialism perspectives in marketing and (2) materialism measurement scales used in marketing, are discussed. This section has been compiled based on extensive literature review, which included seminal works in materialism (Richins and Dawson, 1992) and gray literature (Scott, 2009). Therefore, it would be interesting to examine the above factors as determinants of materialistic level. However, because of the constraint of using secondary data, this study cannot restructure the questionnaire and make it specifically correspond to every issue raised by past literatures. Thus, using the demographic information of the respondents as predictors of materialism is the best option as far as this study concerns.

RESEARCH METHODOLOGY:

The present research addressed three main questions. First, it examined possible differences in materialistic value that differ in their socio-economic and cultural heritage, particularly in terms of different components of materialism. Second, it assessed whether some components of materialistic values are more important in predicting subjective well-being than others, and whether the use of materialistic value components offers a superior analysis than overall endorsement.

The methodology was based on collection of primary data through a self-administered questionnaire using a sample consisting of men and women living in the city of Bhubaneswar, Orissa, India. Materialism was measured using the Richins and Dawson (1992), 18 – item measurement scale focusing on acquisition centrality, acquisition as the pursuit of happiness and possession defined success. The sample size consisted of 96 respondents under the age of 30. The sample had 49 men and 47 women. The research question was analyzed by using t – test to compare the materialistic tendencies of the two groups (independent samples) consisting of men and women (Malhotra, 2004; Kothari, 2004)

1. Null hypothesis H0: $\mu_1 = \mu_2$
2. Alternate Hypothesis H1: $\mu_1 \neq \mu_2$

DATA ANALYSIS AND FINDINGS:

Materialistic tendencies in men and women:

A t-test was undertaken to determine if there are any differences between men and women, as far as materialistic tendencies are concerned. The following is a table- 2 representing a comparison of scores in terms of gender- wise variables obtained from the questionnaire.

Table – 2: Comparison of Materialism Scores

Variables	Sex	Mean	Significance (Two-tailed)	t - Score	Inference
1	M	3.4082	0.047	2.011	≤ 0.05
	F	2.9787			
2	M	3.7143	0.445	0.766	NS*
	F	3.5532			
3	M	2.7551	0.899		NS

	F	2.78 72		- 0.12 7	
4	M	3.59 18	0.558	0.58 7	NS
	F	3.44 68			
5	M	3.67 35	0.154	1.43 8	NS
	F	3.31 91			
6	M	2.79 59	0.306	1.02 9	NS
	F	2.55 32			
7	M	2.48 98	0.942	- 0.07 3	NS
	F	2.51 06			
8	M	2.38 78	0.315	- 1.01 1	NS
	F	2.63 83			
9	M	3.40 82	0.672	- 0.42 4	NS
	F	3.51 06			
10	M	2.53 06	0.934	0.08 3	NS
	F	2.51 06			
11	M	4	0.165	1.40 1	NS
	F	3.74 47			
12	M	3.73 47	0.263	1.12 7	NS
	F	3.44 68			

13	M	2.95 92	0.495	0.68 5	NS
	F	2.80 85			
14	M	3.12 24	0.528	0.63 3	NS
	F	2.95 74			
15	M	4.04 08	0.074	1.80 9	NS
	F	3.65 96			
16	M	3.44 9	0.044	- 2.03 8	NS
	F	3.87 23			
17	M	4	0.004	2.97 4	≤ 0.05
	F	3.40 43			
18	M	3.81 63	0.292	1.06	NS
	F	3.59 57			
* Not Significant.					

A statistically significant difference was found in case of two items on the materialism scale:

1. "I admire people who own expensive homes, cars and clothes." – Men (M = 3.41, SD = 1.11) feel strongly in comparison to women (M = 2.98, SD = 0.99) that they admire people who own expensive homes, cars and clothes, $t(94) = 2.01, p < 0.05$.
2. "I'd be happier if I could afford to buy more things" – Men (M = 4.0, SD = 0.81) feel strongly in comparison to women (M = 3.40, SD = 1.11) that they would be happier if they could afford to buy more things, $t(94) = 0.04, p < 0.05$.

The study led to the inference that there is not much difference between the materialistic tendencies of men and women living in urban India. A statistically significant difference was found only in case of two items on the materialism scale. It indicates that men feel strongly in comparison to women that they admire

people who exhibit their material possessions and believe that they would have been happier if they have more disposable income so that they could afford to buy more things. The study revealed that in two of the eighteen variables used to measure materialism, there exists a significant difference between the materialistic tendencies of men and women living in urban India. This translates into a somewhat varied behavior of men and women, as far as materialistic tendencies of consumer behavior are concerned.

CONCLUSION:

In our study, the consumer indices collected served as an indirect reflection of, or proxy for, mass consumerism penetration in each cultural setting. There is a difference between the materialistic tendencies of men and women living in urban India. The subject though, needs continuous and profound exploration so that the influence of materialistic tendencies on consumer behavior can be utilized to the advantage of both: the company as well as the consumer. The intellectual contribution of this study may be utilized to understand consumption patterns in urban India with specific reference to the contribution of gender towards buying decisions. It is all the more relevant in case of products that have a snob appeal and are gender centric e.g. perfumes, motor bikes etc. Further, the findings have to be given due consideration while devising an effective integrated marketing communication strategy that is intended to cater to the varied materialistic perceptions of different genders.

There are also applied implications. If a strong commitment to materialism is detrimental for individuals' well-being, then educators and policy makers may well be interested in curbing such an orientation. This is particularly pertinent, as there is growing evidence that materialism is increasing among younger people, particularly adolescents. Yet, if it is mainly the belief that money brings happiness that is detrimental, it may be easier and more effective for practitioners in education and consumer advice to target this particular component of materialism, rather than to attempt combating the widespread desire for money and consumer goods. Materialism brings both novelty and challenges for the marketers in order to attain objectives.

In terms of theoretical implications, our study emphasizes the shortcoming of conceptualizing materialistic values as a homogeneous value orientation. This point was already made by Richins & Dawson (1992) over a decade ago, but it becomes more powerful when differential outcomes or consequences of materialistic value components can be demonstrated empirically, as was done here. Moreover, a componential approach to materialism may be useful to identify novel

opportunities for the attainment of values and satisfaction of customers.

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