

# Veblen's Conspicuous Consumption at Grove City College

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## **Abstract**

According to Thorstein Veblen conspicuous consumption is the purchasing of goods that display wealth power and prestige (Veblen 1899). This research project was an evaluation and testing of that theory. The question that began the research was: Is there a relationship between social class and attitudes of prestige when purchasing luxury items? Veblen theorized that the upper class have different attitudes toward products that they purchase compared to the lower classes (Veblen 1899). According to his theory, the members of the upper, or what he called leisure, class are much more interested in products that display and show off their status. They are at the top of society and desire to stay there by publicly displaying their wealth. In contrast to the upper class, the members of the lower classes are interested in hiding their status. Through what Veblen labeled, “pecuniary emulation” (Veblen 1899) the lower classes seek to emulate the actions of the upper class in an attempt to appear to be of a higher class than they truly are. Even though the lower classes do not appreciate the manner in which the wealthy parade their status, they cannot help attempting to emulate them through their desire for products that not only mask their true class identity, but also create the illusion that they belong to a higher class. Through the use of a survey and the analysis of the data produced by the survey this study examined whether or not conspicuous consumption was present within the student body at Grove City College.

## **Introduction/Literature Review**

While there has been extensive writings regarding Veblen's conspicuous consumption, there has been few empirical studies testing for correlation between the specific dimensions: attitudes of prestige and socio-economic class. The publications that were useful and that were utilized to base some initial ideas off of, were studies like Noam Yuan's (2016) "Meaningful Objects or Costly Symbols? A Veblenian Approach to Brands" which described how Thorstein Veblen's Theory of the Leisure Class and conspicuous consumption is crucial to understanding brands and how the inscription of a symbol is a tool of differentiation. The meaning and motivations behind why something is purchased is what is important regarding brands. Conspicuous consumption and motivations behind purchases are more about just the material. "There is a symbolic significance to it as well. Things which necessitate waste, and thus materially attest to wealth, enter Veblen's economy of display insofar as they become valued for their own sake." (Yuan 2016).

Other publications discussed the relationship between luxury products and human relational behavior. Yajin Wang's and Vldas Griskevicius's (2013) study indicate the function of conspicuous consumption in revealing the role of brands and luxury products in human relationships.

Studies have also been conducted regarding conspicuous consumption's involvement in income elasticity. Ori Heffetz's study (2010), "A TEST OF CONSPICUOUS CONSUMPTION: VISIBILITY AND INCOME ELASTICITIES" outlined a stylized conspicuous consumption model where income elasticity is endogenously predicted to be higher if a good is visible and lower if not.

Work has also been done addressing conspicuous consumption and race as well as reference groups. There are publications like, Kerwin Kofi Charles', Erik Hurst's, and Nikolai Roussanov's

(2008) that examine and discuss specific spending habits of Hispanics and African Americans compared to Whites. In such studies/publications the scholars take race, reference groups and income level into account when looking for correlations and connections.

All of these works assisted in the formulation of this research project, but this study was built to be different from the previous work. The majority of what has already been published is within economics journals and/or focused on the consumerism aspect rather than sociology. Much of what has been studied, written, and published revolves around the consumer and economics. The articles cover Veblen and his ideas and theories, but are more concerned with economics. Sociology is not the priority of the majority of past works regarding conspicuous consumption.

This study is more sociological in that it specifically tested for correlations between social/economic class location and conspicuous consumption as measured in prestige and pecuniary emulation. The research conducted in this study was specifically concerned with Veblen's theory and testing whether or not it is prevalent in the sample population. The research is much more specific than prior research regarding conspicuous consumption in that it tested specifically for links between class and what specific factors play into luxury product purchasing decisions. The research observed not only the prestige factor of the upper class desiring to display their wealth and status, but also the lower classes' pecuniary emulation. The research conducted is economic sociology, as a subset of sociology as a whole.

In the study the independent variable is class/economic standing and the dependent variable is presence of conspicuous consumption behaviors/attitudes. If Thorstein Veblen's ideas regarding conspicuous consumption are correct the research would indicate that the higher an individual's economic standing, the more likely he/she will be to desire a product marketed as giving them the ability to maintain their status, as well as display it (Veblen 1899). Prestige was the main factor here. In

addition to the upper classes' attitudes toward products, the lower classes ought to have sought to emulate the upper classes in the attempt to create the perception that they belong to a higher social status (pecuniary emulation). By observing this, the study is more specific to Veblen's theory than past research has been.

## Method

This research project hypothesizes a relationship between class/economic standing and attitudes and behaviors that make up conspicuous consumption.

As noted earlier in the literature review, conspicuous consumption was operationalized as having two dimensions. Listed separately, these dimensions are attitudes regarding the desire for prestige and pecuniary emulation. Indicators for each dimension were determined and composed into questions with appropriate response categories. The questions in the survey used to determine the afore mentioned are:

41. If you were shopping and you had to choose between a name brand item of clothing and a generic version (assuming you can afford both); you would pick the name brand mostly because:
  - 4 Brand recognition matters to you
  - 3 If you can afford it, why not?
  - 2 The name brand is going to be higher a quality product
  - 1 You would not purchase the name brand
  
42. If you had to choose between a Rolex watch and a TimeX (assuming you could afford either one):
  - 4 You'd purchase a Rolex because it's much more prestigious
  - 3 You'd purchase a Rolex because if you can afford it why not?
  - 2 You'd purchase a Rolex because I think they make better watches
  - 1 You'd purchase a Timex
  
43. If you could shop at a generic grocery story or one more like Whole Foods (specialty store), you would choose to shop at a store like Whole Foods mostly because:
  - 4 A store like Whole Foods has a better reputation
  - 3 You don't mind paying more to be at a nicer store

- 2 Certain grocery products can only be found in a specialty store
- 1 I wouldn't shop at a store like Whole Foods

44. If you were to choose between a luxury vehicle or an economy car (assuming you can afford both), you would choose a luxury vehicle mostly because:

- 4 It is more prestigious
- 3 You can afford it, so why not buy it?
- 2 It's just higher quality
- 1 I would not choose the luxury vehicle

45. When purchasing a luxury item or service does the desire to impress others play a \_\_\_\_\_ in the decision process:

- 5 Very important role
- 4 Important role
- 3 Somewhat important role
- 2 Not very important role
- 1 Minimal to no role

46. When I buy something new, other people noticing it and complementing it is \_\_\_\_\_ to me:

- 5 Very important
- 4 Important
- 3 Somewhat important
- 2 Not very important
- 1 Not important at all

47. When I buy a name brand product I want others to know that it is a name brand:

- 5 Strongly agree
- 4 Agree
- 3 Indifferent
- 2 Don't agree
- 1 Strongly disagree

In questions 41 through 44 the first two answer choices indicate the prestige dimension/factor (the ability to afford waste as an indicator or prestige mattering to the individual), and the second two options represent practicality and non-conspicuous consumption. In questions 45 through 47 the higher numbered response choices represent attitudes of prestige playing a factor. Pecuniary emulation comes

into play if the prestige factor is higher when the class/economic standing of the individual is lower.

That correlation indicates the desire to emulate the higher class's ability to flaunt wealth and prestige.

Based upon the literature review, Class/economic standing was hypothesized to include 2 dimensions-- income and social class. Each of these were measured with the following indicators and responses. For income, perceived relative level of income growing up was used, and for social class, the categories of lower, working, middle, middle to upper, and upper were used. To indicate, these dimensions, these two questions were used:

106. Thinking about your parents, or the people with whom you lived during high school, compared with other American families, would you say their income was below average or above?

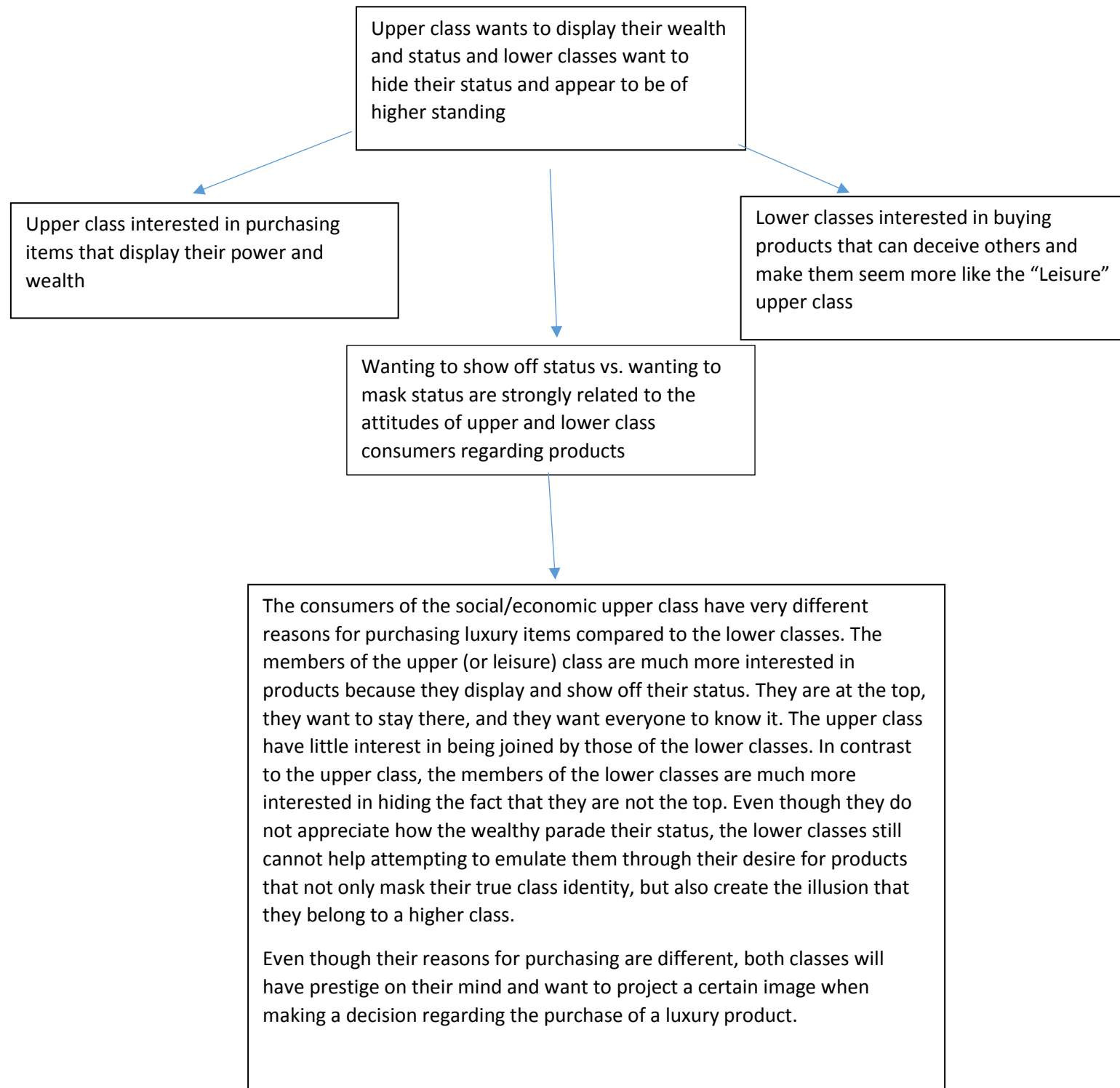
1. Far below
2. Below
3. Average
4. Above
5. Far above

107. If you were asked to use one of four names for you social class, which would you say you belong in: the lower class, the working class, the middle class or the upper class?

1. Lower
2. Working
3. Middle
4. Middle to upper
5. Upper
6. Don't know

While it would have been ideal to know exact income levels and accurate socio-economic class, it is not possible to obtain these, so this is the way the independent variables were found.

The diagram below illustrates my model, noting the variables and the causal links. In addition, the predicted path is shown through arrows connecting the independent and dependent variables.



Research for this project was conducted through administering an anonymous survey to students enrolled at a four-year undergraduate college of approximately 2500 students. This college is a private, Christian, arts and sciences institution located in the eastern Midwest with a traditionally-aged student body. It also is notable for being conservative politically and religiously. 832 students were sampled, all undergraduates. Of those, females comprised 63.8% of the sample and males 36.3%. Students fell into the traditional age range of 18-23. Approximately 22% of the respondents were first year students, 22% second year, 27% third year, and 27% fourth or fifth year. The student body is over 95% White. Because of the racial and ethnic homogeneity of the student body, the Institutional Review Board discouraged collecting data on race and ethnicity, lest individuals be too easily identified. Using Sex as our population parameter, the sampling error of our sample is 13.8%.

The survey is part of a Social Research Methods project and was administered by students in that course. The survey itself is composed of 111 questions which together include the individual class projects of 12 students. Surveys were administered to 14 classes totaling 465 students. Professors gave permission to students to administer them in their classes. Parameters for completing the survey were two: One, that respondents must be 18 years or older (as per the Institutional Review Board), and two: not have completed the survey in another class. All respondents were promised anonymity. We also administered the survey online by emailing students links to our survey on [selectsurvey.net](https://selectsurvey.net).

The criticism could fairly be raised that surveys administered to these classes did not produce a representative sample. However, given the types of classes, a representative sample of the campus is more likely than not. Most classes were general education types of courses which all students are required to take; thus, they are most likely to reflect a cross-section of students. They include students from liberal arts and sciences along with engineering and other disciplines. Having noted this, however,

it is significant that the age range of respondents, the nature of the college itself, and the relative homogeneity of the student body certainly limit the generalizability of the results. In other words, the contours and characteristics of the sample certainly differ markedly from national norms—be it the general population or the college-aged population in the U.S. Generalizability, therefore, is broadly limited to the sampled campus and, perhaps weakly, to other college students of similar age, background, and institutions of higher learning with similar academic, cultural and organizational characteristics and missions.

## **Results and Analysis**

In the analysis of the data to test the hypothesis regarding conspicuous consumption, the variables regarding attitudes of prestige in the purchasing of luxury products and class and income were cross tabulated. In the MicroCase software that was used for data analysis question 41 was labeled as the variable BrandvsGen, question 42 is Rolex/Timx, question 43 was Grocery/WF, question 44 was LuxCar, question 45 was ImpressLux, question 46 was BuyNewComp, and question 27 was BrandKnow. Analysis began by cross tabulating BrandvsGen (dependent variable) and Class (independent variable). The Chi-Square was 15.485 (with probability of .628) and Cramer's V was .085, indicating no statistical significance and weak to no association between the variables. These statistics did not support the hypothesis.

Next the variables Rolex/Timx and Class, were cross tabulated with Class being the independent variable. Rolex/Timx is nominal and Class is ordinal, so nominal statistics were used. It was found that the Chi-Square was 14.610 (probability of .689), and Cramer's V was .083. The results were not statistically significant and once again did not support the hypothesis.

Grocery/WF and Class were cross tabulated and, again the nominal statistics were observed (Grocery/WF is also nominal) no association between the two variables was found. The Chi-square was 18.135 (probability of .447) and Cramer's V was .092.

The next variable to be cross-tabulated with Class was LuxCar, another nominal variable. After checking the nominal statistics Chi-square was 17.213 (probability of .509) and Cramer's V was .090, once again indicating no statistical significance and no association.

Questions 45-47 were also cross tabulated with Class. These responses/variables are not nominal like the previous ones, but rather ordinal like the Class variable, because they rank order the level of prestige factoring into the purchasing decisions/behaviors. The two variables are both ordinal in these cross-tabulations, which means that the Gamma scores could be used. For ImpressLux and Class (when cross-tabulated) the ordinal statistics showed Gamma to be -.013 with a probability of .898, which is not statistically significant. BuyNewComp and Class had a Gamma of .038 and a probability of .442, and BrandKnow and Class had a Gamma of .040 and a probability of .392.

None of the cross tabulations of the variables with Class had any statistical significance or indication of association. This did not support the original hypothesis of this research project.

After cross-tabulating the various dependent variables with Class they were cross-tabulated with Income. Like Class, Income is an ordinal variable and it was the independent variable in these cross-tabulations. As displayed in figure 1 BrandvsGen and Income have no association, however there did appear to be an association between Rolex/Timx and Income. As shown in figure 2, the Chi-square score was 26.243 (probability of .010) and a Cramer's V of .112. While the association is not particularly strong, the probability indicates statistical significance. A significantly higher percentage of respondents who are far below average income said that they were more likely to not buy a Rolex, but rather a Timex, compared to the above average and far above average income respondents. This could mean that

money and cost trumps prestige. As seen in figures 3 and 4, the data showed no association or statistical significance between Grocery/WF and Income or LuxCar and Income. There was also no association found between the three ordinal variables ImpressLux, BuyNewComp, and BrandKnow and Income as displayed in figures 5, 6, and 7.

Figure 1 – cross-tabulation of BrandvsGen and Income

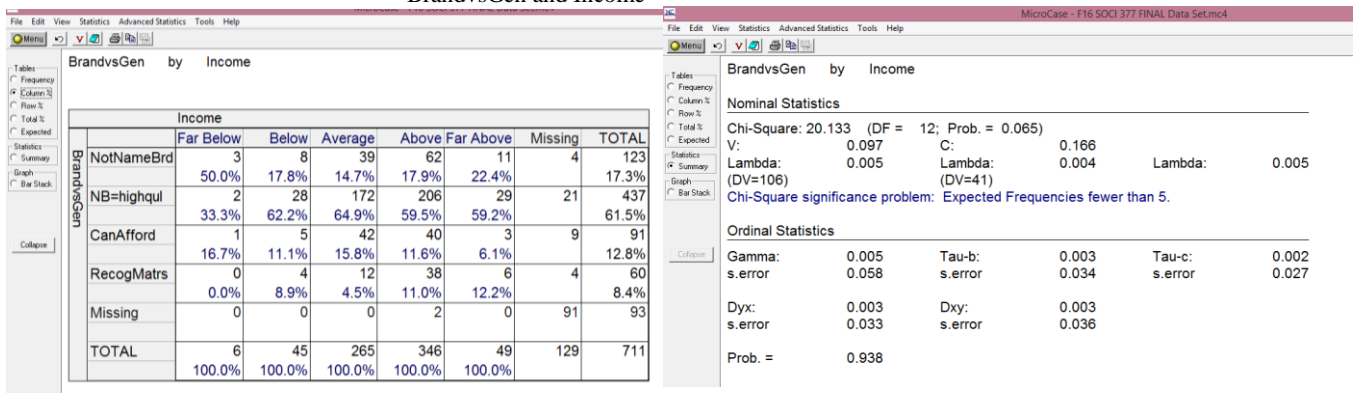


Figure 2 – cross-tabulation of Rolex/Timx and Income

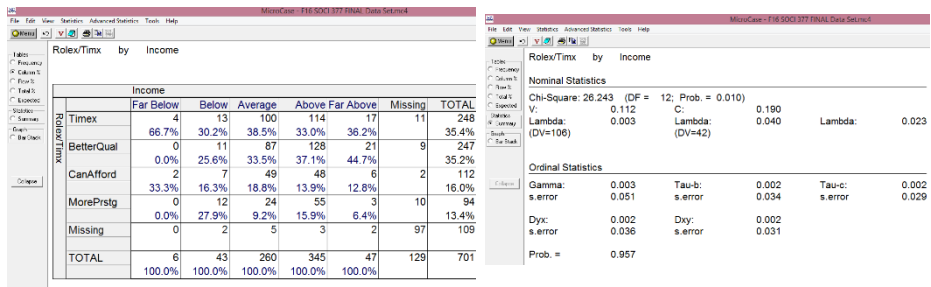


Figure 3 – cross-tabulation of Grocery/WF and Income

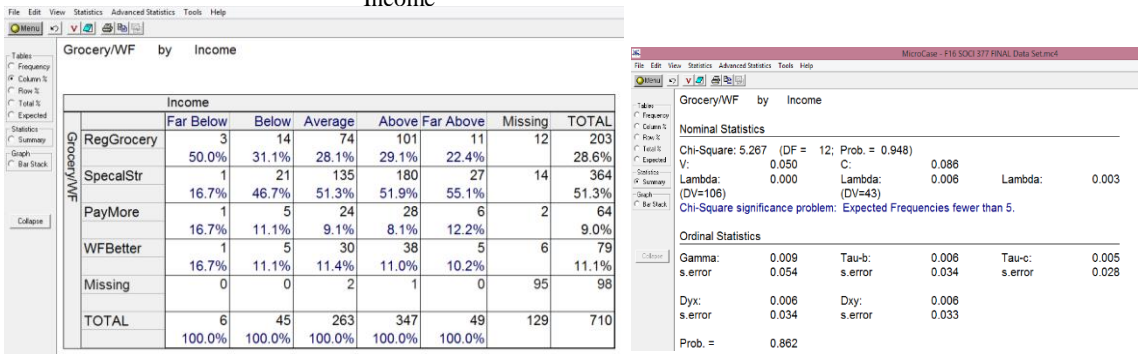


Figure 4 – cross-tabulation of LuxCar and Income

LuxCar by Income							
LuxCar	Income						TOTAL
	Far Below	Below	Average	Above	Far Above	Missing	
EconCar	3	21	116	145	17	15	302
	50.0%	46.7%	43.9%	41.7%	34.7%		42.4%
HighQual	1	14	101	131	22	10	269
	16.7%	31.1%	38.3%	37.6%	44.9%		37.8%
CanAfford	1	3	25	38	3	5	70
	16.7%	6.7%	9.5%	10.9%	6.1%		9.8%
MorePrstg	1	7	22	34	7	3	71
	16.7%	15.6%	8.3%	9.8%	14.3%		10.0%
Missing	0	0	1	0	0	96	97
TOTAL	6	45	264	348	49	129	712
	100.0%	100.0%	100.0%	100.0%	100.0%		

LuxCar by Income					
Nominal Statistics					
Chi-Square:	8.264	(DF = 12; Prob. = 0.764)			
V:	0.062	C:	0.107		
Lambda:	0.000	Lambda:	0.012	Lambda:	0.006
(DV=106)		(DV=44)			
Chi-Square significance problem: Expected Frequencies fewer than 5.					
Ordinal Statistics					
Gamma:	0.057	Tau-b:	0.036	Tau-c:	0.031
s.error	0.053	s.error	0.034	s.error	0.029
Dyx:	0.038	Dxy:	0.035		
s.error	0.035	s.error	0.033		
Prob. =	0.282				

Figure 5 – cross-tabulation of ImpressLux and Income

ImpressLux by Income							
ImpressLux	Income						TOTAL
	Far Below	Below	Average	Above	Far Above	Missing	
Minimal	2	1	12	17	5	2	37
	50.0%	10.0%	19.4%	18.7%	41.7%		20.7%
NotVeryImp	1	2	23	28	3	3	57
	25.0%	20.0%	37.1%	30.8%	25.0%		31.8%
SomwhImp	0	4	20	36	3	3	63
	0.0%	40.0%	32.3%	39.6%	25.0%		35.2%
Impt	1	3	6	8	1	2	19
	25.0%	30.0%	9.7%	8.8%	8.3%		10.6%
VeryImpt	0	0	1	2	0	0	3
	0.0%	0.0%	1.6%	2.2%	0.0%		1.7%
Missing	2	35	203	257	37	119	653
TOTAL	4	10	62	91	12	129	179
	100.0%	100.0%	100.0%	100.0%	100.0%		

ImpressLux by Income					
Nominal Statistics					
Chi-Square:	14.020	(DF = 16; Prob. = 0.597)			
V:	0.140	C:	0.270		
Lambda:	0.000	Lambda:	0.060	Lambda:	0.034
(DV=106)		(DV=45)			
Chi-Square significance problem: Expected Frequencies fewer than 5.					
Ordinal Statistics					
Gamma:	-0.064	Tau-b:	-0.043	Tau-c:	-0.036
s.error	0.104	s.error	0.070	s.error	0.058
Dyx:	-0.046	Dxy:	-0.039		
s.error	0.075	s.error	0.064		
Prob. =	0.540				

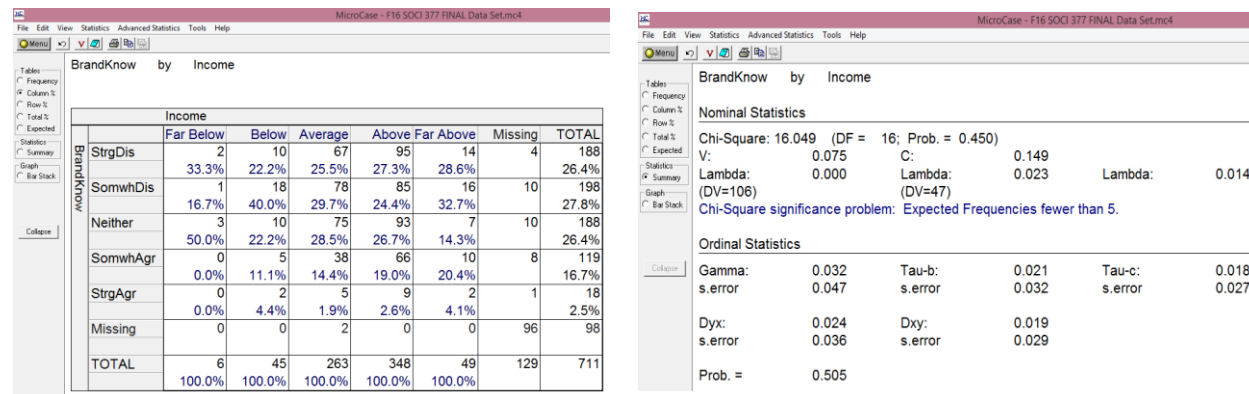
Figure 6 – cross-tabulation of BuyNewComp and Income

BuyNewComp by Income							
BuyNewComp	Income						TOTAL
	Far Below	Below	Average	Above	Far Above	Missing	
NotAtAll	1	5	23	26	7	2	62
	16.7%	11.1%	8.7%	7.5%	14.3%		8.7%
NotVery	1	19	96	131	18	8	265
	16.7%	42.2%	36.4%	37.6%	36.7%		37.2%
SomwhImpt	1	15	99	135	18	20	268
	16.7%	33.3%	37.5%	38.8%	36.7%		37.6%
Impt	2	6	37	45	4	1	94
	33.3%	13.3%	14.0%	12.9%	8.2%		13.2%
VeryImpt	1	0	9	11	2	0	23
	16.7%	0.0%	3.4%	3.2%	4.1%		3.2%
Missing	0	0	1	0	0	98	99
TOTAL	6	45	264	348	49	129	712
	100.0%	100.0%	100.0%	100.0%	100.0%		

BuyNewComp by Income					
Nominal Statistics					
Chi-Square:	13.095	(DF = 16; Prob. = 0.666)			
V:	0.068	C:	0.134		
Lambda:	0.000	Lambda:	0.011	Lambda:	0.006
(DV=106)		(DV=46)			
Chi-Square significance problem: Expected Frequencies fewer than 5.					
Ordinal Statistics					
Gamma:	-0.013	Tau-b:	-0.008	Tau-c:	-0.007
s.error	0.051	s.error	0.034	s.error	0.028
Dyx:	-0.009	Dxy:	-0.008		
s.error	0.036	s.error	0.032		
Prob. =	0.807				

Figure 7 – cross-tabulation of BrandKnow and Income



After those first cross tabulations were run, they were re-cross tabulated, controlling for gender. This was done to make sure that the variable of gender was not affecting the results. Men and women have different shopping habits and attitudes toward products, so gender had to be controlled for to make sure these differences did not skew the data one way or another. It was found that while some of the percentages were different in various areas, controlling for gender did not indicate any associations between the variables. For both males and females there appears to be no association between attitudes of prestige and class or income.

With the afore mentioned cross tabulations producing minimal to no significant results the cross tabulations were run once more, but this time with categories being collapsed. Figures 8 through 21 display how the categories were collapsed. The categories of Far Below, Below, and Average were collapsed (in the class variable) because the study is focused on Veblen's theory of conspicuous consumption that was concerned with the upper class compared to the lower classes, therefore it made sense to combine the categories into lower/mid and upper (for class) as well as Below/avg and Above (for income). The rows were also collapsed to group similar responses together for the cross tabulations with Income. BrandKnow was the only variable that indicated a statistically significant association with

both of the independent variables (class and income). When cross tabulated with Class the Gamma was .194 and the probability was .035. When cross tabulated with Income the Gamma was .194 and the probability was .041. BrandvsGen and Income were also shown to be statistically significantly associated. Brand recognition mattered more to those of above average income (see figure 15). This could indicate conspicuous consumption, however as it is very little evidence compared to the rest of the data results it is difficult to claim that the study as a whole supports the hypothesis of conspicuous consumption.

Figure 8 - cross-tabulation of BrandvsGen and Class with collapsed categories

**BrandvsGen by Class**

		Class				
		Lower/mid	Upper	6 Don't Know	Missing	TOTAL
BrandvsGen	NotNameBrd	62 17.3%	59 17.1%	0 0.0%	2 28.6%	4 17.3%
	NB=highqul	222 62.0%	211 61.0%	1 100.0%	4 57.1%	20 61.5%
	CanAfford	49 13.7%	41 11.8%	0 0.0%	1 14.3%	9 12.8%
	RecogMatrs	25 7.0%	35 10.1%	0 0.0%	0 0.0%	4 8.4%
	Missing	0	2	0	0	91 93
	TOTAL	358 100.0%	346 100.0%	1 100.0%	7 100.0%	128 712

**BrandvsGen by Class**

**Nominal Statistics**

Chi-Square: 4.328 (DF = 9; Prob. = 0.889)			
V: 0.045	C: 0.078		
Lambda: 0.028	Lambda: 0.000	Lambda: 0.016	
(DV=107) (DV=41)			
Chi-Square significance problem: Expected Frequencies fewer than 5.			

**Ordinal Statistics**

Gamma: 0.020	Tau-b: 0.011	Tau-c: 0.008
s.error 0.065	s.error 0.035	s.error 0.025
Dyx: 0.011	Dxy: 0.010	
s.error 0.037	s.error 0.033	
Prob. = 0.761		

Figure 9 - cross-tabulation of Rolex/Timx and Class with collapsed categories

**Rolex/Timx by Class**

		Class				
		Lower/mid	upper	6 Don't Know	Missing	TOTAL
Rolex/Timx	Timex	129 36.6%	117 34.2%	0 0.0%	3 42.9%	10 35.5%
	BetterQual	124 35.2%	120 35.1%	1 100.0%	2 28.6%	9 35.2%
	CanAfford	55 15.6%	55 16.1%	0 0.0%	2 28.6%	2 16.0%
	MorePrstg	44 12.5%	50 14.6%	0 0.0%	0 0.0%	10 13.4%
	Missing	6	6	0	0	97 109
	TOTAL	352 100.0%	342 100.0%	1 100.0%	7 100.0%	128 702

**Rolex/Timx by Class**

**Nominal Statistics**

Chi-Square: 4.586 (DF = 9; Prob. = 0.869)			
V: 0.047	C: 0.081		
Lambda: 0.017	Lambda: 0.009	Lambda: 0.012	
(DV=107) (DV=42)			
Chi-Square significance problem: Expected Frequencies fewer than 5.			

**Ordinal Statistics**

Gamma: 0.045	Tau-b: 0.027	Tau-c: 0.022
s.error 0.057	s.error 0.035	s.error 0.028
Dyx: 0.032	Dxy: 0.023	
s.error 0.041	s.error 0.029	
Prob. = 0.436		

Figure 10 - cross-tabulation of Grocery/WF and Class with collapsed categories

MicroCase - F16 SOCI 377 FINAL Data Set.mcd							
Grocery/WF by Class							
	Class						TOTAL
	Lower/mid	Upper	6 Don't Know	Missing			
RegGrocery	111	90	0	2	12		203
	31.0%	26.1%	0.0%	28.6%			28.6%
SpecalStr	181	179	0	5	13		365
	50.6%	51.9%	0.0%	71.4%			51.3%
PayMore	29	35	0	0	2		64
	8.1%	10.1%	0.0%	0.0%			9.0%
WFBetter	37	41	1	0	6		79
	10.3%	11.9%	100.0%	0.0%			11.1%
Missing	0	3	0	0	95		98
TOTAL	358	345	1	7	128		711
	100.0%	100.0%	100.0%	100.0%			

MicroCase - F16 SOCI 377 FINAL Data Set.mcd							
Grocery/WF by Class							
Nominal Statistics							
Chi-Square: 12.713 (DF = 9; Prob. = 0.176)							
V:	0.077	C:	0.133				
Lambda:	0.028	Lambda:	0.003	Lambda:	0.016		
(DV=107)							
Chi-Square significance problem: Expected Frequencies fewer than 5.							
Ordinal Statistics							
Gamma:	0.095	Tau-b:	0.054	Tau-c:	0.041		
s.error	0.061	s.error	0.035	s.error	0.026		
Dyx:	0.061	Dyx:	0.049				
s.error	0.039	s.error	0.031				
Prob. =	0.119						

Figure 11 - cross-tabulation of LuxCar and Class with collapsed categories

MicroCase - F16 SOCI 377 FINAL Data Set.mcd							
LuxCar by Class							
	Class						TOTAL
	Lower/mid	Upper	6 Don't Know	Missing			
EconCar	166	131	1	5	14		303
	46.4%	37.8%	100.0%	71.4%			42.5%
HighQual	125	142	0	2	10		269
	34.9%	40.9%	0.0%	28.6%			37.7%
CanAfford	33	37	0	0	5		70
	9.2%	10.7%	0.0%	0.0%			9.8%
MorePrstg	34	37	0	0	3		71
	9.5%	10.7%	0.0%	0.0%			10.0%
Missing	0	1	0	0	96		97
TOTAL	358	347	1	7	128		713
	100.0%	100.0%	100.0%	100.0%			

MicroCase - F16 SOCI 377 FINAL Data Set.mcd							
LuxCar by Class							
Nominal Statistics							
Chi-Square: 9.695 (DF = 9; Prob. = 0.376)							
V:	0.067	C:	0.116				
Lambda:	0.068	Lambda:	0.027	Lambda:	0.046		
(DV=107)							
Chi-Square significance problem: Expected Frequencies fewer than 5.							
Ordinal Statistics							
Gamma:	0.097	Tau-b:	0.056	Tau-c:	0.043		
s.error	0.060	s.error	0.035	s.error	0.027		
Dyx:	0.064	Dyx:	0.049				
s.error	0.040	s.error	0.031				
Prob. =	0.108						

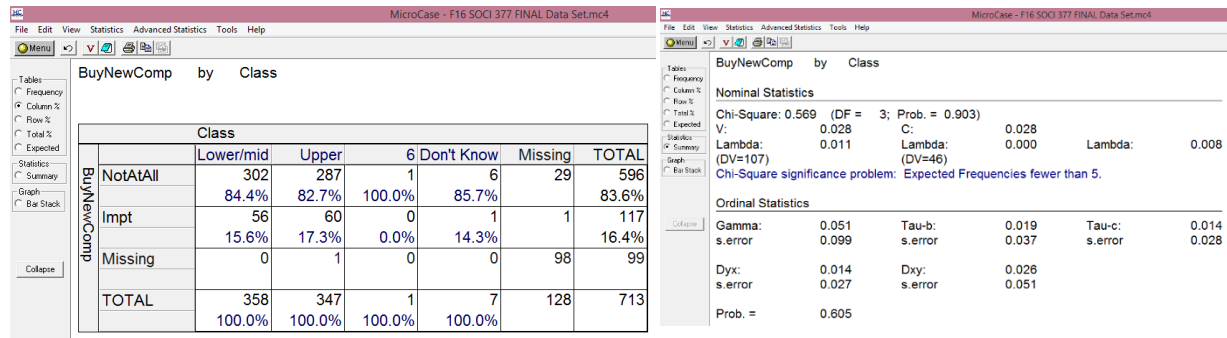
Figure 12 – cross-tabulation of ImpressLux and Class with collapsed categories

MicroCase - F16 SOCI 377 FINAL Data Set.mcd							
ImpressLux by Class							
	Class						TOTAL
	lower/mid	upper	6 Don't Know	Missing			
Minimal	76	80	0	2	7		158
	85.4%	89.9%	0.0%	100.0%			87.8%
Impt	13	9	0	0	2		22
	14.6%	10.1%	0.0%	0.0%			12.2%
Missing	269	259	1	5	119		653
TOTAL	89	89	0	2	128		180
	100.0%	100.0%	100.0%	100.0%			

MicroCase - F16 SOCI 377 FINAL Data Set.mcd							
ImpressLux by Class							
Nominal Statistics							
Chi-Square: 1.119 (DF = 2; Prob. = 0.571)							
V:	0.079	C:	0.079				
Lambda:	0.044	Lambda:	0.000	Lambda:	0.035		
(DV=107)							
Chi-Square significance problem: Expected Frequencies fewer than 5.							
Ordinal Statistics							
Gamma:	-0.226	Tau-b:	-0.075	Tau-c:	-0.049		
s.error	0.222	s.error	0.073	s.error	0.048		
Dyx:	-0.048	Dyx:	-0.115				
s.error	0.047	s.error	0.113				
Prob. =	0.308						

Figure 13 – cross-tabulation of BuyNewComp and Class with collapsed categories



MicroCase - F16 SOCI 377 FINAL Data Set.mcd4

BuyNewComp by Class

		Class					
		Lower/mid	Upper	6 Don't Know	Missing	TOTAL	
BuyNewComp	NotAtAll	302	287	1	6	29	596
		84.4%	82.7%	100.0%	85.7%		83.6%
	Impt	56	60	0	1	1	117
		15.6%	17.3%	0.0%	14.3%		16.4%
	Missing	0	1	0	0	98	99
	TOTAL	358	347	1	7	128	713
		100.0%	100.0%	100.0%	100.0%		

Nominal Statistics

Chi-Square: 0.569 (DF = 3; Prob. = 0.903)

V: 0.028 C: 0.028

Lambda: 0.011 Lambda: 0.000 Lambda: 0.008

(DV=107)

Chi-Square significance problem: Expected Frequencies fewer than 5.

Ordinal Statistics

Gamma: 0.051 Tau-b: 0.019 Tau-c: 0.014

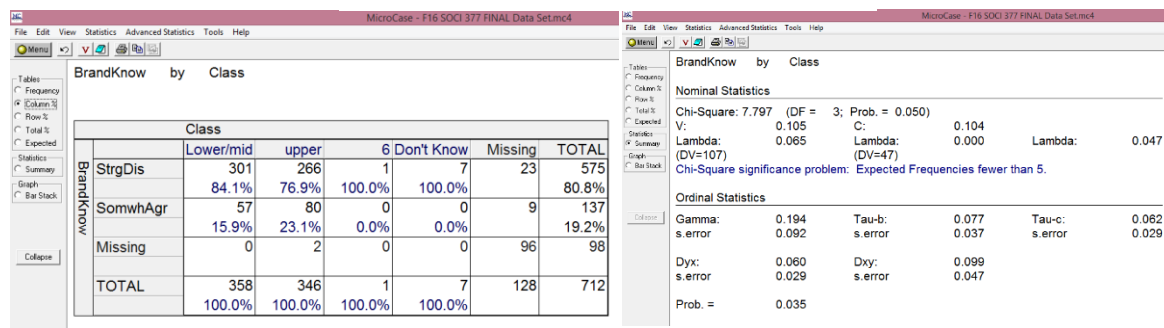
s.error 0.099 s.error 0.037 s.error 0.028

Dyx: 0.014 Dyx: 0.026

s.error 0.027 s.error 0.051

Prob. = 0.605

Figure 14 – cross-tabulation of BrandKnow and Class with collapsed categories



MicroCase - F16 SOCI 377 FINAL Data Set.mcd4

BrandKnow by Class

		Class					
		Lower/mid	upper	6 Don't Know	Missing	TOTAL	
BrandKnow	StrgDis	301	266	1	7	23	575
		84.1%	76.9%	100.0%	100.0%		80.8%
	SomwhAgr	57	80	0	0	9	137
		15.9%	23.1%	0.0%	0.0%		19.2%
	Missing	0	2	0	0	96	98
	TOTAL	358	346	1	7	128	712
		100.0%	100.0%	100.0%	100.0%		

Nominal Statistics

Chi-Square: 7.797 (DF = 3; Prob. = 0.050)

V: 0.105 C: 0.104

Lambda: 0.065 Lambda: 0.000 Lambda: 0.047

(DV=107)

Chi-Square significance problem: Expected Frequencies fewer than 5.

Ordinal Statistics

Gamma: 0.194 Tau-b: 0.077 Tau-c: 0.062

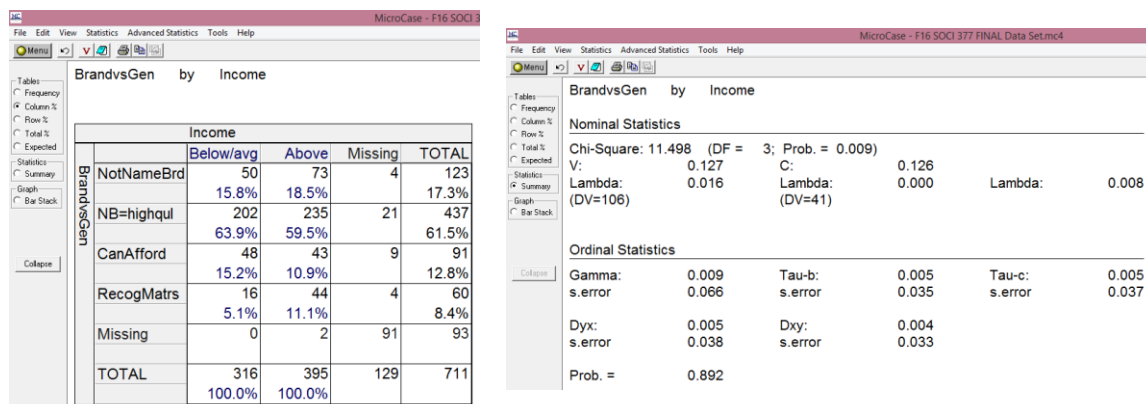
s.error 0.092 s.error 0.037 s.error 0.029

Dyx: 0.060 Dyx: 0.099

s.error 0.029 s.error 0.047

Prob. = 0.035

Figure 15 – cross-tabulation of BrandvsGen and Income with collapsed categories



MicroCase - F16 SOCI 377 FINAL Data Set.mcd4

BrandvsGen by Income

		Income			
		Below/avg	Above	Missing	TOTAL
BrandvsGen	NotNameBrd	50	73	4	123
		15.8%	18.5%		17.3%
	NB=highqul	202	235	21	437
		63.9%	59.5%		61.5%
	CanAfford	48	43	9	91
		15.2%	10.9%		12.8%
	RecogMatrs	16	44	4	60
		5.1%	11.1%		8.4%
	Missing	0	2	91	93
	TOTAL	316	395	129	711
		100.0%	100.0%		

Nominal Statistics

Chi-Square: 11.498 (DF = 3; Prob. = 0.009)

V: 0.127 C: 0.126

Lambda: 0.016 Lambda: 0.000 Lambda: 0.008

(DV=106)

Ordinal Statistics

Gamma: 0.009 Tau-b: 0.005 Tau-c: 0.005

s.error 0.066 s.error 0.035 s.error 0.037

Dyx: 0.005 Dyx: 0.004

s.error 0.038 s.error 0.033

Prob. = 0.892

Figure 16 – cross-tabulation of Rolex/Timx and Income with collapsed categories

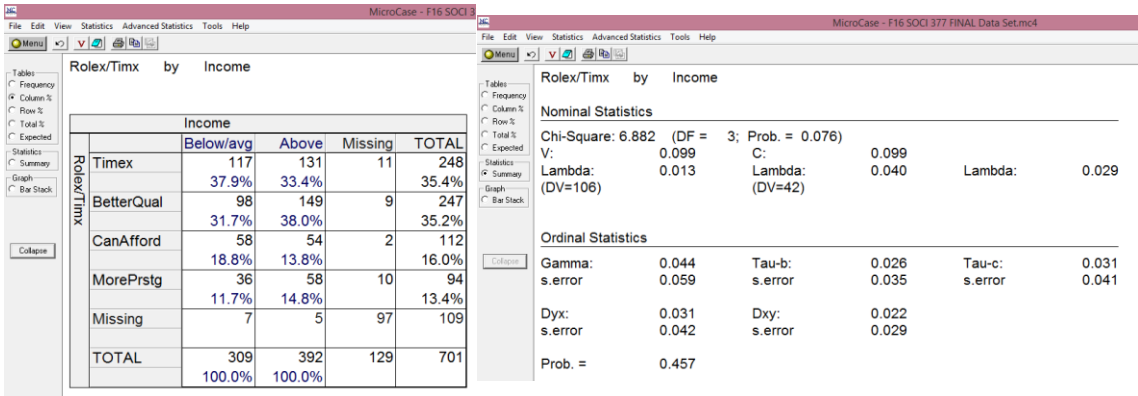


Figure 17 – cross-tabulation of Grocery/WF and Income with collapsed categories

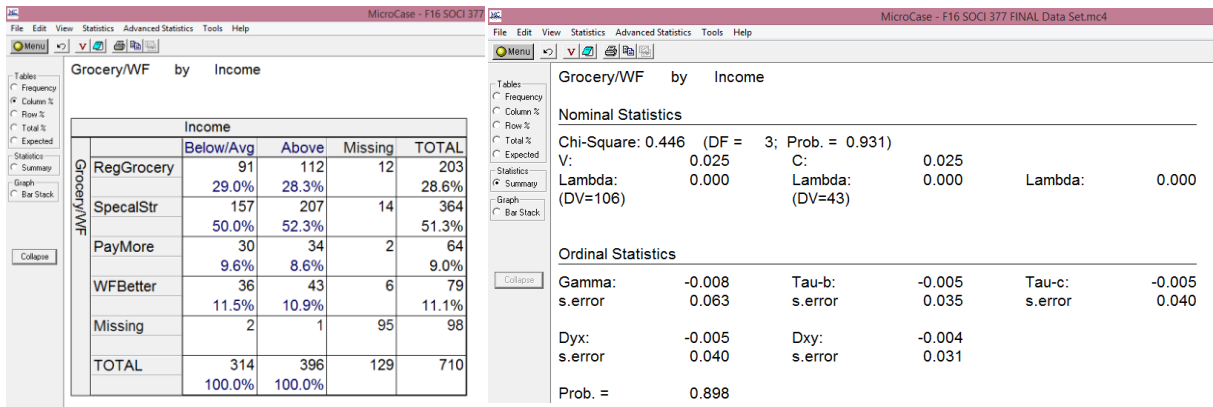


Figure 18 – cross-tabulation of LuxCar and Income with collapsed categories

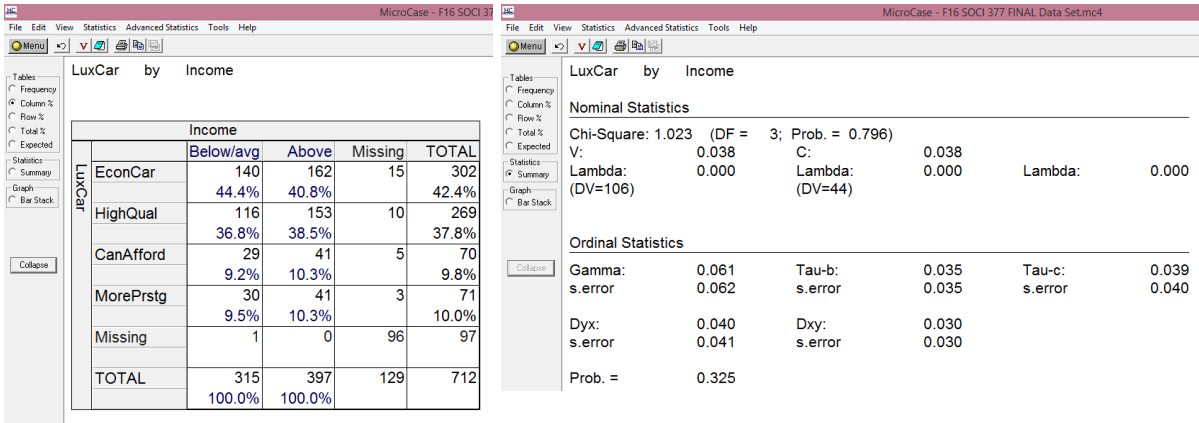


Figure 19 – cross-tabulation of ImpressLux and Income with collapsed categories

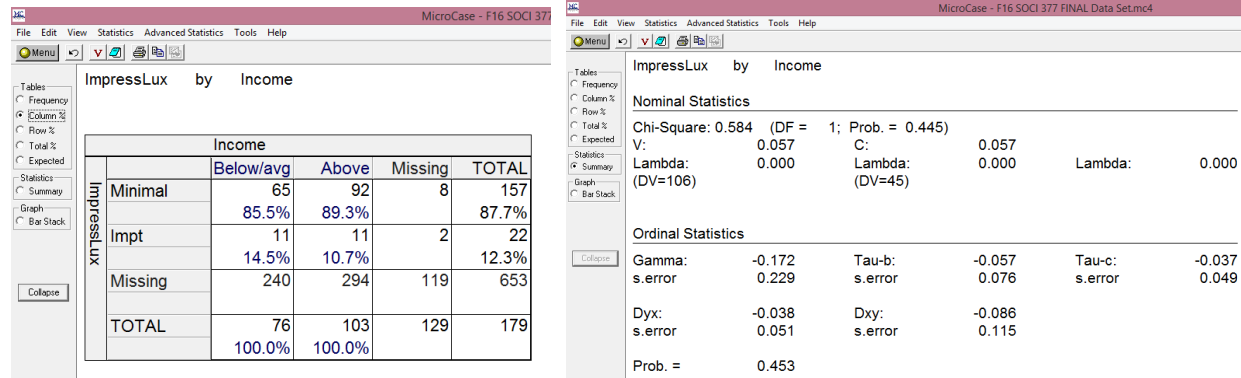


Figure 20 – cross-tabulation of BuyNewComp and Income with collapsed categories

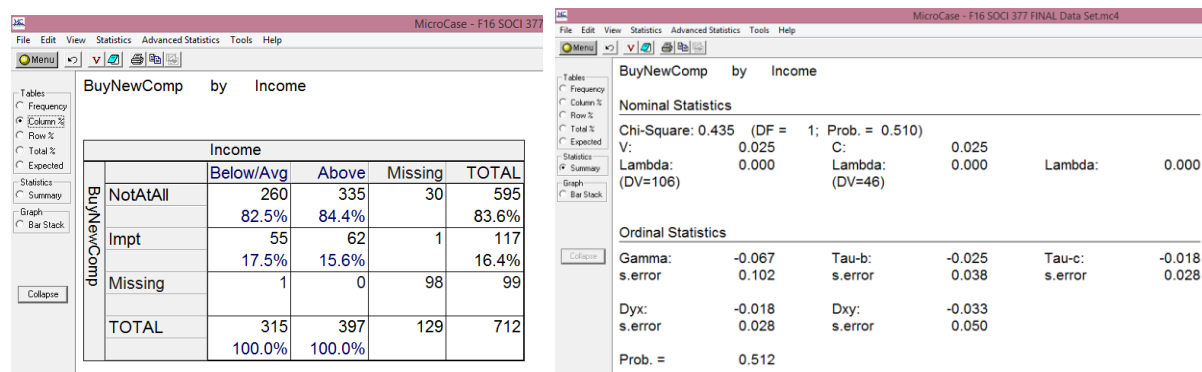
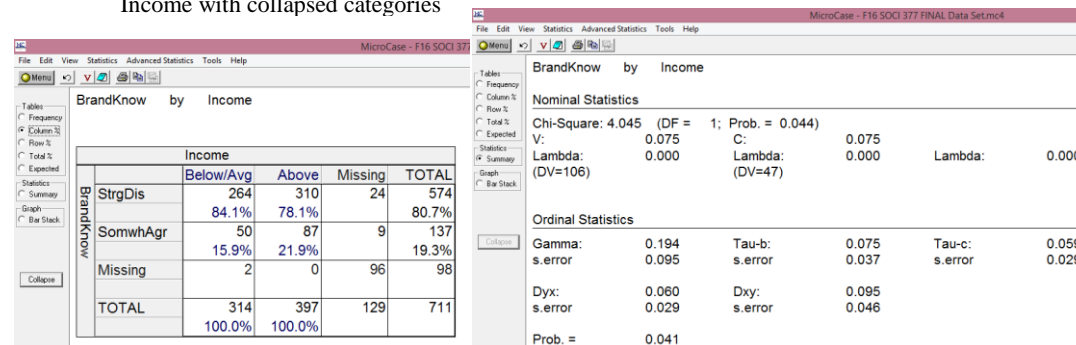
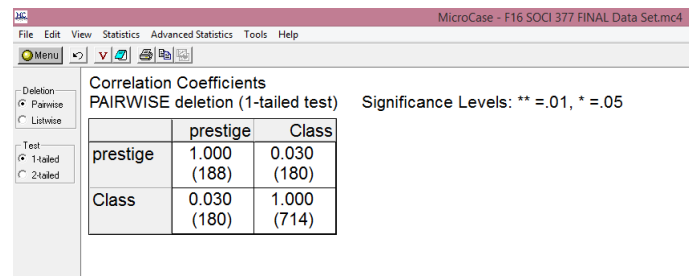


Figure 21 – cross-tabulation of BrandKnow and Income with collapsed categories



Along with the cross tabulations and then controlling for gender a prestige index was created by combining questions 45, 46, and 47 (when correlated the three variables have a Cronbach's alpha of .752). The index was created to combine multiple different dimensions of prestige into one score. This prestige index was correlated with Class and then Income as seen in figures 22 and 23.

Figure 22 – correlation coefficients of prestige index and class



MicroCase - F16 SOCI 377 FINAL Data Set.mc4

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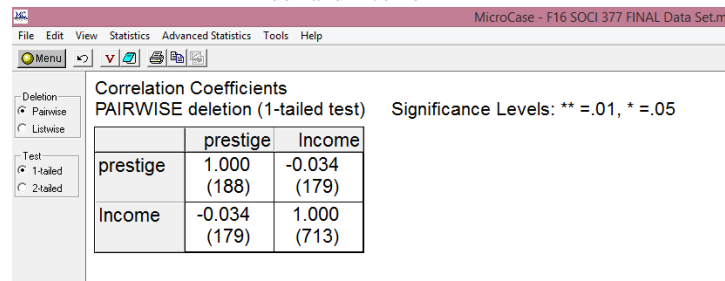
Deletion: ☒ Pairwise ☐ Listwise

Test: ☒ 1-tailed ☐ 2-tailed

Correlation Coefficients  
PAIRWISE deletion (1-tailed test) Significance Levels: \*\* =.01, \* =.05

	prestige	Class
prestige	1.000 (188)	0.030 (180)
Class	0.030 (180)	1.000 (714)

Figure 23 – correlation coefficients of prestige index and income



MicroCase - F16 SOCI 377 FINAL Data Set.mc

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Deletion: ☒ Pairwise ☐ Listwise

Test: ☒ 1-tailed ☐ 2-tailed

Correlation Coefficients  
PAIRWISE deletion (1-tailed test) Significance Levels: \*\* =.01, \* =.05

	prestige	Income
prestige	1.000 (188)	-0.034 (179)
Income	-0.034 (179)	1.000 (713)

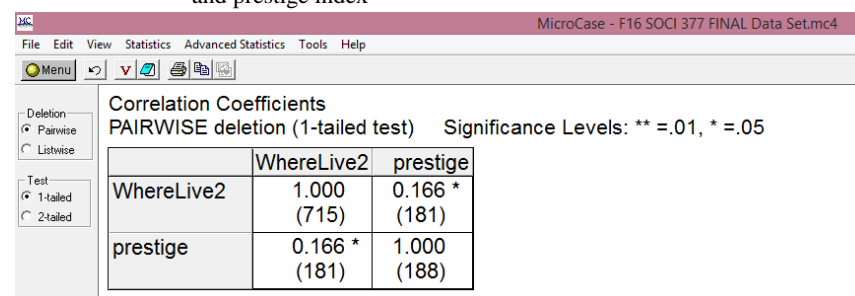
With the data showing little to no correlation between class and luxury product prestige, Veblen's ideas regarding urbanization and conspicuous consumption were tested. The survey has a question regarding where the respondent lives. The question and answers choices are:

108. Would you describe the place where you live back home as:

1. A big city
2. The suburbs or outskirts of a big city
3. A small city
4. A town
5. A rural neighborhood
6. A farm or home in the country

For purposes of data analysis, the response categories were collapsed to just farm/rural (a rural neighborhood and a farm or home in the country), smalltown (a town and a small city), and city subrb (a big city and the suburbs or outskirts of a big city). When Wherelive2 (the new collapsed categories version of the original wherelive question 108) was correlated with the prestige index, the results were a statistically significant correlation between the two as displayed in figure 24. Wherelive2 was also cross tabulated with BrandvsGen, Rolex/Timx, Grocery/WF, and LuxCar. Grocery/WF and LuxCar both have a statistically significant association with wherelive2 (see figures 27 and 28).

Figure 24 – correlation coefficients of wherelive2 and prestige index



	WhereLive2	prestige
WhereLive2	1.000 (715)	0.166 * (181)
prestige	0.166 * (181)	1.000 (188)

Figure 25 – cross tabulation of BrandvsGen and Wherelive2

WhereLive2

MicroCase - F16 SOCI 377 FINAL Data

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Menu

Tables  
Frequency  
Column %  
Row %  
Total %  
Expected  
Statistics  
Summary  
Bar Stack

BrandvsGen by WhereLive2

	WhereLive2				
	farm/rural	small town	city/subrb	Missing	TOTAL
NotNameBrd	41 21.7%	43 17.1%	39 14.3%	4 1.7%	123 17.3%
NB=highqul	111 58.7%	154 61.1%	173 63.6%	20 7.4%	438 61.4%
CanAfford	25 13.2%	34 13.5%	33 12.1%	8 1.1%	92 12.9%
RecogMatrs	12 6.3%	21 8.3%	27 9.9%	4 0.6%	60 8.4%
Missing	1 0.1%	0 0.0%	1 0.4%	91 12.8%	93 13.1%
TOTAL	189 100.0%	252 100.0%	272 100.0%	127 100.0%	713 100.0%

Collapse

WhereLive2

MicroCase - F16 SOCI 377 FINAL Data Setmk2

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Menu

Tables  
Frequency  
Column %  
Row %  
Total %  
Expected  
Statistics  
Summary  
Graph  
Bar Stack

BrandvsGen by WhereLive2

Nominal Statistics

Chi-Square: 5.849 (DF = 6; Prob. = 0.440)

V: 0.064 C: 0.090

Lambda: 0.011 Lambda: 0.000 Lambda: 0.007

(DV=116) (DV=41)

Ordinal Statistics

Gamma: 0.093 Tau-b: 0.057 Tau-c: 0.057

s.error 0.054 s.error 0.033 s.error 0.033

Dyx: 0.053 Dxy: 0.061

s.error 0.031 s.error 0.036

Prob. = 0.088

Collapse

Figure 26 – cross tabulation of Rolex/Timx and Wherelive2

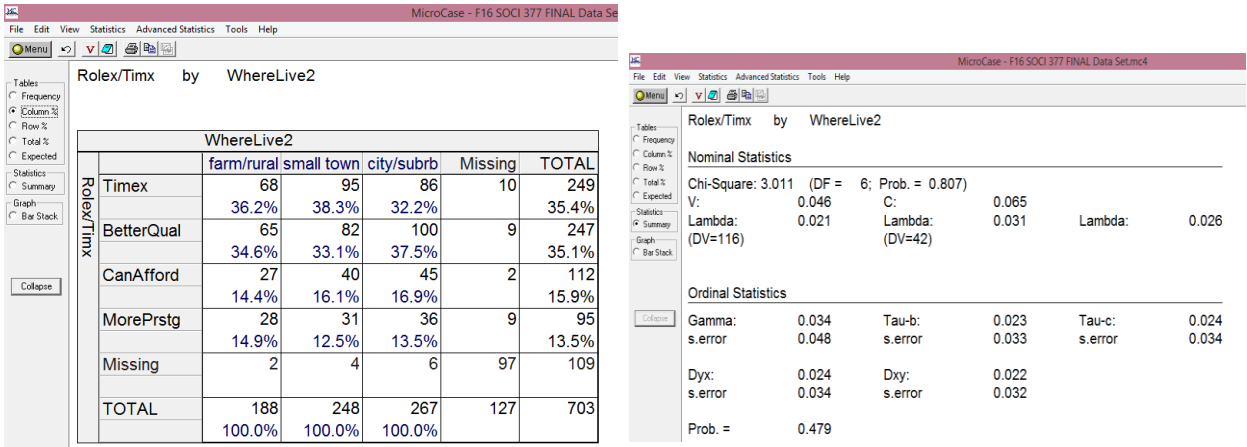


Figure 27 – cross tabulation of Grocery/WF and Wherelive2

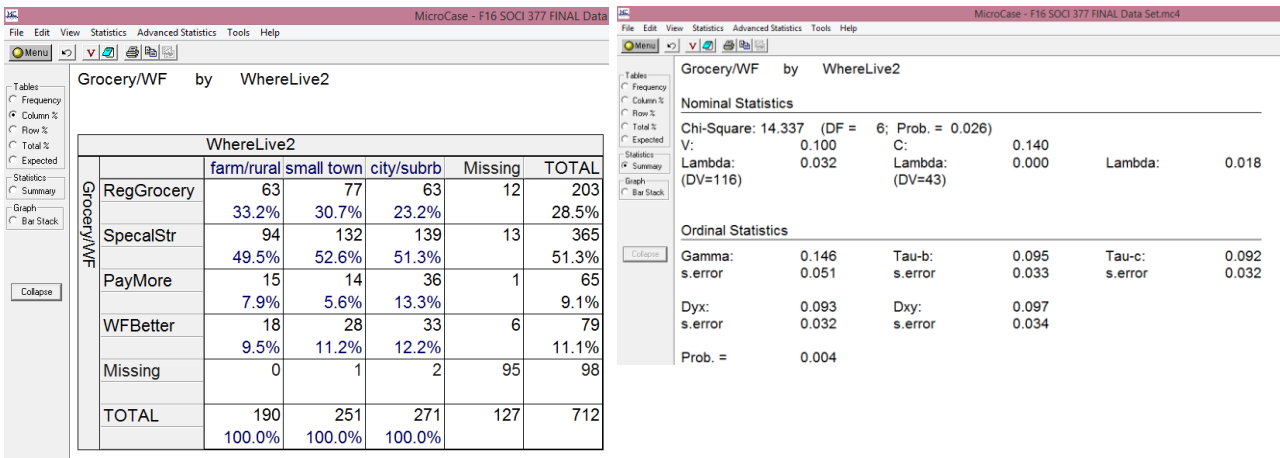
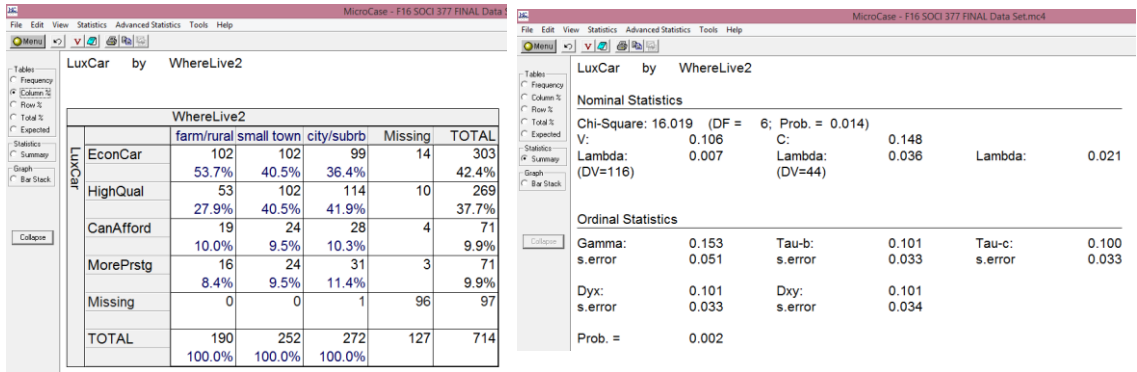


Figure 28 – cross tabulation of LuxCar and Wherelive2



The statistics indicate a relationship between where a person lives and attitudes of prestige regarding the purchase of luxury items. The statistics show that the more urban a person's home is, the more likely they will have attitudes of prestige, therefore indicating conspicuous consumption. These results are in line with Veblen's ideas regarding urban residents as compared to rural ones. "Conspicuous consumption claims a relatively larger portion of the income of the urban than of the rural population, and the claim is also more imperative. The result is that, in order to keep up a decent appearance, the former habitually live hand-to-mouth to a greater extent than the latter." (Veblen 1899 :7) Veblen reasoned that it is more difficult to keep up the appearance of high society in the city compared to in rural areas, therefore conspicuous consumption will be more present in the cities.

From the data, it would appear that there is little to no relationship between social class/economic standing and behaviors/attitudes indicating conspicuous consumption. The results of the survey do not display much association between the prestige variables and income or class. The hypothesis was predicting to find that the higher the class and income, the more prestige would factor into behaviors and attitudes, indicating conspicuous consumption. This was not the case, because after the data analysis, essentially no association, relationship, or correlation (positive or negative) between conspicuous consumption and income or class was found. While class and income seemed to have no correlation with attitudes of prestige, location did. Even though it was not a part of the original hypothesis the results of the survey displayed a positive relationship between where respondents live (at home while not in college) and attitudes of prestige. This particular study indicates that location is more influential on attitudes of prestige than class or income levels.

## Summary/Conclusion

This study was designed to test Thorstein Veblen's theory of conspicuous consumption. Survey questions were designed to determine if prestige factored into the decision making process regarding the purchasing of luxury products. The study's goal was to look for relationships between class or income and attitudes of prestige in accordance with luxury purchases. Veblen's theory of conspicuous consumption suggests that there ought to be a relationship between attitudes of prestige and class (Veblen 1899). There could be a positive relationship between class and attitudes of prestige indicating that the upper class desires and enjoys the status that their socio-economic standing brings them. There could also be a negative relationship between the two variables which would indicate pecuniary emulation (another component of conspicuous consumption). Through the use of the survey questions, data was collected regarding these variables and analyzed. Contrary to the hypothesis and Veblen's theory, the results displayed minimal to no relationship between the variables of income or class and attitudes of prestige. It could be that the results show that Veblen's theory of conspicuous consumption and therefore my hypothesis is wrong. It could also be quite possible that this sample population is not a good representation of the general public. As mentioned before in previous sections, the survey was only given to and filled out by college students at Grove City College. This particular College is a small, Christian, liberal arts college and is therefore populated by individuals of certain backgrounds, ethnicity, and social classes, which are not representative of the general public. The fact that all the survey respondents are within the ages of 18-22 may have also affected the results. College-aged individuals are often less financially independent and experienced. Most are also not wealthy themselves, even if their families are, and therefore often have to be cautious with their money. Another issue with the survey format is that respondents may not have wanted to admit, or even consciously realized, that prestige matters to them when buying a luxury product. Other respondents may simply not have wanted to admit

that they spend their money on luxury items at all. There are a number of factors that could be affecting the results of the research and skewing the data.

While class and income were not correlated with prestige, location was. Even though the portion of Veblen's theory regarding class was not supported by the data, his ideas regarding urban location and conspicuous consumption were. The data showed that those who live in a more urban environment had more attitudes of prestige regarding the purchase of luxury items. From this particular study, we can conclude that urban location plays a bigger role in conspicuous consumption than socio-economic class. These results would fit Georg Simmel's theories regarding fashion and the metropolis, more appropriately than Veblen's. In his famous essay, "The Metropolis and Mental Life" Simmel argues that the city was the center of objective culture. This study has provided more evidence to support a combination of Simmel's ideas rather than Veblen's.

To further the research in this particular area, studies ought to be done similar to this, (looking for relationships between prestige regarding the purchasing of luxury items and class or income) but with much bigger scope. The sample size ought to be much bigger and from all different locations, including all different backgrounds, ethnicities, ages, genders, and socio-economic standings. The research should also be designed from the beginning with living location playing a larger role in the study. The research could also include interviews as well as a survey. Most people are not going to initially think about how prestige factors into their purchasing decisions when asked on a survey, but an interview could prove more fruitful in that the interviewer can probe deeper into why the interviewee might purchase a luxury item.

As noted in previous research, prestige/status is related to consumer behavior (Bagwell and Bernheim 1996). This study was looking to find a relation between a specific attitude within consumer behavior and class/income, and perhaps it does not exist as my data would suggest; however the

questions within the survey may not have been driving at the right idea, or may have been worded poorly.

Another potential study that could be done, is to set up research that compares Veblen's theory of conspicuous consumption with Simmel's ideas of fashion and the modern city. Further research testing both Veblen's ideas as well as Simmel's within the same study could provide see which theorist's ideas are more present in modern society.

The research did not produce the data to support Thorstein Veblen's theory of conspicuous consumption specifically regarding class, however it did produce data to support his ideas about urban location. The evidence does point to a theory that conspicuous consumption purely based upon socio-economic status is not present within the student body at Grove City College. If other studies were done to prove that within the general public, Veblen's theory about class and prestige holds true, the question must arise: Why might it not be present at Grove City College? An interesting study that should be done specific to this narrow topic is: a study examining what makes Grove City College students not conspicuous consumers. The study could take into account the demographic of students at the college compared to the general population, and research students' purchasing decisions and attitudes regarding those decisions.

While it may be difficult to test Veblen's theory, there ought to be more research done regarding the topic of conspicuous consumption. It has important implications on consumer behavior and marketing strategies, as well as the discipline of sociology. Class and economic behavior play a huge role in human interaction and are crucial factors in many sociological theories. More empirical studies specifically testing Veblen's theory of conspicuous consumption need to be done. It is one thing to theorize and hypothesize about a concept or a theory devised by a past theorist, however, it is another thing entirely to conduct an empirical study in an attempt to observe the theory in everyday life.

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