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Happiness, Power, and Conspicuous Consumption: Do You Want Louis Vuitton More When You Are Happy or Unhappy?

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Keywords: Happiness, luxury, power

Introduction

Luxury market has been growing steadily as consumers’ demand for luxury is increasing. Particularly, luxury consumption market has been expanding from high-status, wealthy population to a broad population. Status or power is considered to be one of the most important drivers of luxury or conspicuous consumption and consumers with less status and power than the traditional target market of luxury brands purchase luxury goods to gain status and power. The problem is that this tendency will deteriorate their financial state of low social status consumers. Therefore, the purpose of current research is to test the hypothesis that happiness can act as a psychological buffer to intervene the vicious circle of deprived power and pursuit of conspicuous consumption.

Hypotheses

Research showed that people in low status pursue status-related conspicuous products or brands to recover their deprived power (Rucker & Galinsky, 2008). Consistently, it was found that black people who are more likely to be low status than white people spend more money for conspicuous consumption (Mazzocco et al., 2012). The buffering hypothesis of happiness suggests that happiness acts as a buffer to absorb the self-threat or power-depriving situation (e.g., Fredrickson & Levenson, 1998). According to this hypothesis, happy people, compared to unhappy people, does not need to engage in conspicuous consumption regardless of their state of power because happiness acts as a buffer in power-depriving situation. Therefore, it was hypothesized that 1) unhappy people (vs. happy people) will engage in conspicuous consumption more, but not in regular consumption and 2) people with low power (vs. high power) people will engage in conspicuous consumption more only when they are unhappy.

Methods

To study the relationship between happiness, power, and conspicuous consumption, a 2 (happiness: high, low) x 2 (power: low, high) x 2 (product: conspicuous, control) mixed-subject online experiment was conducted. Nine-two participants were recruited from the Amazon Mechanical Turk website in return of 25 cents. They answered 1) power manipulation task (a sentence completion task including power- vs. powerless-related words), 2) purchase intention of conspicuous products (fur coat, cufflinks, caviar, Italian suit, and Italian loafer) and control products (vacuum cleaner, sofa, refrigerator, washing machine, and unbranded shirt) in a random order on 9-point scale, and 3) subjective well-being (SWB: positive and negative affect, life satisfaction) to measure happiness. To avoid double manipulation, power was manipulated and happiness was measured. Finally, participants provided demographic information.

Results

Seventy-two usable data was analyzed. ANOVA results showed that compared to happy (high SWB) people, unhappy (low SWB) people had stronger purchase intention of conspicuous products, and the result approached significance (M_{low} = 2.26 vs. M_{high} = 1.79, F(1,
70) = 3.23, \( p = .07 \)). On the other hand, as predicted, purchase intention of control products showed no difference between low and high happiness (i.e. SWB) people (\( M_{\text{low}} = 4.61 \) vs. \( M_{\text{high}} = 4.43 \), \( F(1, 70) = .15, p = .69 \)). Compared to happy people, unhappy people wanted to purchase more of conspicuous products but not of control products. Therefore, H1 was supported. In order to test H2, interaction between power and happiness was tested. Regarding the purchase intention of conspicuous products, the interaction between power and happiness is significant (\( F(1, 68) = 7.60, p < .01 \); See Figure). Additional pairwise comparisons revealed the difference within each happiness condition. As expected, in the high happiness condition, there was no difference in purchase intention of conspicuous products between low and high power conditions (\( M_{\text{low}} = 1.68 \) vs. \( M_{\text{high}} = 1.87 \), \( F(1, 68) = .02, p = .90 \)). On the other hand, in the low happiness condition, there was significant difference between low and high power conditions (\( M_{\text{low}} = 1.64 \) vs. \( M_{\text{high}} = 3.13 \), \( F(1, 68) = 14.23, p < .001 \)). High power people wanted to purchase more of conspicuous products than low power people when they were unhappy. Therefore, H2 was partially supported because the direction of power was the opposite from the prediction.

![Purchase Intention of Conspicuous Products](image)

**Discussion** The result of the current study suggests positive affect and thought protect consumer’s self from power-depriving situation. Happiness can act as a psychological buffer to intervene the vicious circle of deprived power and pursuit of conspicuous consumption. Although the current study found different results about power than the previous research, it might be attributed to the selection of products. Despite the limitations, the current research has some contributions to consumer well-being research: 1) it emphasizes the important role of happiness in consumption, 2) understanding how emotional and cognitive states influence their behavior will be helpful for sustaining their financial well-being by deciding not to go shopping and to spend unnecessary money for luxury, and 3) it will consequently decrease their impulsive shopping and helplessness but increase their sense of control and psychological well-being.

**References**