

Louis Vuitton and Conservatism:



How Luxury Consumption Influences Political Attitudes

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Luxury Brands

- Perceptions of high quality offered at premium price (Patrick and Hagtvedt 2008).
- Relatively rare and exclusive (Grossman and Shapiro 1988; Han et al. 2010; Phau and Prendergast 2000; Veblen 1899; Vigneron and Johnson 2004).



Motivation

- The growth of luxury consumption – one of the biggest trends in consumer behavior over the last decades.
 - Sales over \$500 billion, consumers over 300 million
 - Consumers can also consume luxury goods without actually purchasing them.

BAG BORROW or STEAL
Borrow, Collect, & Share Luxury



- Significant influence on consumer welfare.
- Past research hasn't addressed this question.

Previous Literature

People seek luxury products to:

- Feel better about themselves; attain happiness; compensate for feelings of powerlessness
 (Belk 1985; Richins 1987; Rucker, Galinsky, and Dubois 2012)
- Signal information to others
 - Wealth and prestige (Bagwell and Bernheim 1996; Han et al. 2010)
 - Identity and personal taste (e.g., Berger and Ward 2010)
 - Signaling in relationship (e.g., Wang and Griskevicius 2014)

But what happens when people use luxury products?

How Does Luxury Consumption Influence Psychology and Behavior?

My dissertation finds that luxury consumption leads to self-interested behaviors:

- Luxury consumption boosts people's perception of social status.
- Feelings of higher social status triggers self-interested behaviors
 - Selfish behaviors
 - Generous behaviors

How does consuming a luxury product make people feel?



Social Status: An individual's rank in a social hierarchy or position in society (Dreze and Nunes 2009; Magee and Galinsky 2008; Rucker and Galinsky 2008, 2009; Wong and Shavitt 2010)

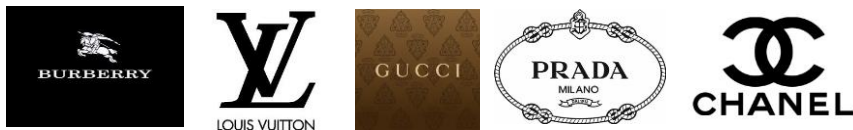
How does perceived higher social status influence political attitudes?

- Conservatism is found to be associated with values that are connected with higher social status such as authoritarianism, a preference for tradition, order, and stability (MaCrae and Costa 1997; Ray 1979; Roberts et al. 2005).
- Middle-class people tend to be more conservative (Eysenck 1975; Lipset 1960).



Experimental Pretests

- The majority of female students at Minnesota had purchased at least one of the following brands:



- Luxury Brand/Product
 - Pretest Brands: Prada, Louis Vuitton, Burberry (positive brand attitude; high familiarity)

Study 1: Luxury Consumption and Conservatism Procedure

**Prada
Handbag**
Vs.
**Non-Luxury
Handbag**

Imagined that the
handbag belonged to her



Study 1: Prada and Being Selfish Procedure

**Prada
Handbag**
Vs.
**Non-Luxury
Handbag**



Walking for 15 minutes

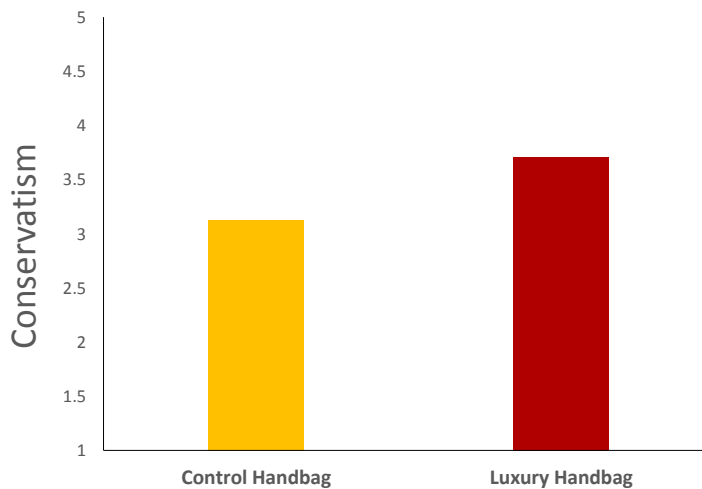
- Follow a same specific path
- Walk in the business school building
- Stop by a coffee shop

Dependent Measures

- “I consider myself to be politically liberal.”
- “I consider myself to be politically conservative.”

*On the scale of 1 (not all all) to 5 (very much).
Higher value indicated conservatism.*

STUDY 1: Results



Study 2: Luxury Consumption and Fiscal Political Attitudes



Luxury Handbag



Non-Luxury Handbag

Walking for 15 minutes

- Follow a same specific path
- Walk in the business school building
- Stop by a coffee shop

Dependent Measures

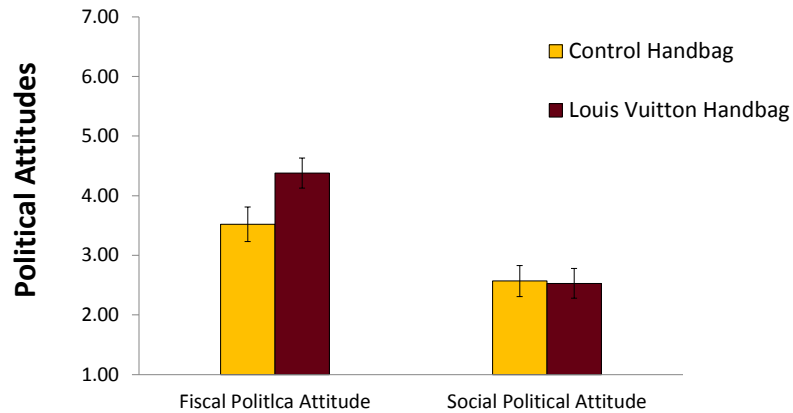
Fiscal Political Attitudes ($\alpha=.66$):

- 1) The rich should pay a higher tax rate than the middle class.
- 2) Business corporations makes too much profit.
- 3) Government should ensure that all citizens meet a certain minimum standard of living.

Social Political Attitudes ($\alpha=.54$):

- 1) Abortion is a woman's right.
- 2) Marriage is between a man and a woman.
- 3) Stem cell research is moral and can be useful for science.
- 4) Marijuana should be legal.
- 5) Laws should restrict abortion in all or most cases.

Study 2: Results



Summary & Contribution

- First research to examine the psychological and behavioral consequences of luxury consumption.
- 2 studies show that luxury consumption leads to more conservatism political attitudes.
- Luxury users exhibit more conservative fiscal political attitudes, but not more conservative social political attitudes

Future Research

- Psychological Mechanism
 - Feelings of higher social status

- Moderators of the effects
 - brand prominence
 - Need for status, power distance belief

- Luxury consumption and other effects.
 - Risk preference
 - Romantic relationships