

## **Cultural Orientations, Materialism, and Status Consumption Behavior**

### **Short Abstract:**

The study of role of culture in materialism generally finds that individualists are more materialistic than collectivists (e.g., Kilbourne et al., 2005). However, this relationship is far from universal. We posit that incorporating the vertical-horizontal dimension introduced by Triandis and colleagues (1998) can help clarify the relationship. Using survey data from seven countries we find that only people with a vertical individualist (VI) orientation exhibit an inclination towards materialism and that people with horizontal individualist (HI) or collectivist orientation (HC & VC) exhibit a negative inclination toward materialism, HC individuals exhibiting the least openness to materialism. As previous literature suggested, materialism mediates the relationship between culture and status consumption behavior, but only people with VI orientation favor status consumption.

*Keywords: Cultural Orientations, Materialism, Status Consumption Behavior*

## **Introduction and Research Aim**

The role of culture in materialism has received significant attention (e.g., Ger & Belk, 1996) with the most common focus on differences between individualistic and collectivistic cultures (Yoo et al., 2021). The study of role of culture in materialism generally finds that individualists are more materialistic than collectivists (Kilbourne et al., 2005), as individualists prefer personal possessions over sound social relationships (Van Boven et al., 2010). On the other hand, collectivists are found to avoid materialism (Wong, 1997) in order to maintain collective values (Markus & Kitayama, 1991). However, this simple assumption that individualists are inherently materialistic (and collectivists are not) overlooks the increasingly nuanced understanding of individualism-collectivism and materialism, which might offer a different insight into how these constructs relate. Hence, we posit that incorporating the horizontal-vertical dimension introduced by Triandis and Gelfand (1998) can provide better insights into when individualism and collectivism will lead to more materialism and when it might not. Further to that, we aim to examine if the relationship between culture and materialism could be extended to status consumption behavior which is generally assumed to be a behavioral outcome of materialism (Goldsmith & Clark, 2012).

We address two research questions in line with this aim:

**RQ1:** How are horizontal-vertical individualism and collectivism related to materialism?

**RQ2:** Will materialism mediate the relationship between cultural orientations and status consumption behavior?

## **Background and Conceptual Model**

The role of culture in materialism has received significant attention (e.g., Ger, 1990) with the most common focus on differences between individualistic and collectivistic cultures (Yoo et al., 2021). This literature often posits that individualists are more materialistic than collectivists due to their valuing personal possessions more than social relationships (Van Boven et al., 2010). However, this simple assumption that individualists are inherently materialistic ignores the increasingly nuanced understanding of individualism-collectivism and materialism, which might offer a different insight into how these constructs relate. We expect that, compared to horizontal individualists, vertical individualists, who place importance more on personal status and power (Singelis, 1994), to be more likely to espouse values of materialism as they will see material possessions as a way to create distinction and gain social status (Shavitt et al., 2006). On the contrary, horizontal individualists, who emphasize egalitarian values (Singelis, 1994) will not value materialism and may even have a negative attitude with it due to the potential for the accumulation of possessions to generate uncomfortable wealth distinctions (Shavitt et al., 2006). We also expect that collectivists to show negative attitudes toward materialism, however, vertical collectivists will show less negative views than horizontal collectivists due to their acceptance of social hierarchy and inequality (Shavitt et al., 2006). Finally, we posit that materialism will mediate the relationship between cultural orientations and status consumption behavior, as suggested in previous studies, but having only vertical individualism be positively related to status consumption behavior due to the strong need for status for vertical individualists (e.g., Flynn et al., 2016).

## Methodology

The responses from 7 countries representing a broad range of horizontal and vertical cultural orientations were obtained through an online panel provider, including UK, the US, Australia, Brazil, Germany, Korea, and China, using back-translation method (Brislin, 1970) for non-English-speaking countries. After removing the incomplete responses, a total of 2,660 responses were collected (UK = 249, USA = 249, Australia = 463, Brazil = 537, Germany = 634, Korea = 284, China = 244). 53.6% of respondents are female and the average age is 24.47 ( $SD_{age} = 3.22$ ).

Material Values Scale (MVS) (Richins & Dawson, 1992), Horizontal/Vertical Individualism and Collectivism Scale (Triandis & Gelfand, 1998), and Status Consumption Behavior Scale by Eastman et al., (1999) were used our key variables.

## Results

Our research focuses on individual-level analysis in line with prior research showing that culture is not equal to country (Donthu & Yoo, 1998; Vora et al., 2019). However, individuals are inherently nested within their culture, and so a multilevel analysis is conducted. The regression analysis revealed that vertical individualism positively predicts materialism at significant level ( $\gamma_{10} = 0.49, p < 0.001$ ), while horizontal individualism negatively predicts materialism at significant level ( $\gamma_{10} = -0.13, p < 0.001$ ). The analysis further revealed that both horizontal collectivism and vertical collectivism negatively predict materialism at significant level (HC:  $\gamma_{10} = -0.38, p < .001$ , VC:  $\gamma_{10} = -0.21, p < .001$ ). However, aligned to our prediction that vertical dimension of a culture will promote materialism, vertical collectivism showed less negative relationship with materialism than horizontal collectivism ( $t(5,608) = 4.58, p < 0.001$ ). Collectively, the results confirm that only vertical individualism has the positive relationship with materialism and horizontal collectivism has the most negative relationship (VI:  $\gamma_{10} = 0.49, p < .001$ , HC:  $\gamma_{10} = -0.37, p < .001$ ).

Finally, we examined mediation effect of cultural orientations on status consumption behavior via materialism. Following Hayes (2022)'s Macro Process via bootstrapping method with 5,000 bootstrap re-samples, the results revealed a significant indirect effect of cultural orientations on status consumption, but only positive relations were found with vertical individualism (HI:  $b = -0.14, SE = 0.030, 95\% CI = -0.20; -0.08$ , VI:  $b = 0.39, SE = 0.02, 95\% CI = 0.035; 0.043$ , HC:  $b = -0.35, SE = 0.03, 95\% CI = -0.41; -0.29$ , VC:  $b = -0.20, SE = 0.02, 95\% CI = -0.24; -0.15$ ). Therefore, all the established hypotheses are supported.

## Implication for Theory and Practice

This research makes three contributions. First, it provides a more detailed understanding of the relationship between culture, materialism, and status consumption behavior. Second, it could help us to reconcile the mixed results about the relationship between individualism-collectivism and materialism by showing that horizontal and vertical dimensions have different effects on materialism. Third, it provides useful insights for practitioners in designing their strategy, for example, designing marketing messages differently for the horizontal and vertical oriented consumers. As our research provide evidence that the relationship with materialism leads to status consumption behavior, status-signaling goods such as luxury products might be better to target consumers with high on materialism as an effective strategy.

## References

- Brislin, R. W. (1970). Back-Translation for Cross-Cultural Research. *Journal of cross-cultural psychology, 1*(3), 185-216. <https://doi.org/10.1177/135910457000100301>
- Donthu, N., & Yoo, B. (1998). Cultural Influences on Service Quality Expectations. *Journal of Service Research, 1*(2), 178-186. <https://doi.org/10.1177/109467059800100207>
- Ger, G., & Belk, R. W. (1996). Cross-cultural differences in materialism. *Journal of Economic Psychology, 17*(1), 55-77. [https://doi.org/https://doi.org/10.1016/0167-4870\(95\)00035-6](https://doi.org/https://doi.org/10.1016/0167-4870(95)00035-6)
- Goldsmith, R. E., & Clark, R. A. (2012). Materialism, Status Consumption, and Consumer Independence. *The Journal of Social Psychology, 152*(1), 43-60. <https://doi.org/10.1080/00224545.2011.555434>
- Hayes, A. F. (2022). *Introduction to mediation, moderation, and conditional process analysis : a regression-based approach* (Third edition. ed.). The Guilford Press.
- Kilbourne, W., Grünhagen, M., & Foley, J. (2005). A cross-cultural examination of the relationship between materialism and individual values. *Journal of Economic Psychology, 26*(5), 624-641. <https://doi.org/https://doi.org/10.1016/j.joep.2004.12.009>
- Markus, H. R., & Kitayama, S. (1991). Culture and the self: Implications for cognition, emotion, and motivation. *Psychological Review, 98*(2), 224-253. <https://doi.org/10.1037/0033-295X.98.2.224>
- Richins, M. L., & Dawson, S. (1992). A Consumer Values Orientation for Materialism and Its Measurement: Scale Development and Validation. *Journal of Consumer Research, 19*(3), 303-316. <https://doi.org/10.1086/209304>
- Shavitt, S., Lalwani, A. K., Zhang, J., & Torelli, C. J. (2006). The Horizontal/Vertical Distinction in Cross-Cultural Consumer Research. *Journal of consumer psychology, 16*(4), 325-342. [https://doi.org/10.1207/s15327663jcp1604\\_3](https://doi.org/10.1207/s15327663jcp1604_3)
- Singelis, T. M. (1994). The Measurement of Independent and Interdependent Self-Construals. *Personality and Social Psychology Bulletin, 20*(5), 580-591. <https://doi.org/10.1177/0146167294205014>
- Triandis, H. C., & Gelfand, M. J. (1998). Converging measurement of horizontal and vertical individualism and collectivism. *Journal of personality and social psychology, 74*(1), 118-128. <https://doi.org/10.1037/0022-3514.74.1.118>
- Van Boven, L., Campbell, M. C., & Gilovich, T. (2010). Stigmatizing Materialism: On Stereotypes and Impressions of Materialistic and Experiential Pursuits. *Personality & social psychology bulletin, 36*(4), 551-563. <https://doi.org/10.1177/0146167210362790>
- Vora, D., Martin, L., Fitzsimmons, S. R., Pekerti, A. A., Lakshman, C., & Raheem, S. (2019). Multiculturalism within individuals: A review, critique, and agenda for future research. *Journal of international business studies, 50*(4), 499-524. <https://doi.org/10.1057/s41267-018-0191-3>
- Wong, N. Y. C. (1997). Suppose You Own the World and No One Knows? Conspicuous Consumption, Materialism and Self. *Advances in consumer research, 24*, 197.
- Yoo, J., Miyamoto, Y., Evers, U., Lee, J., & Wong, N. (2021). Does Materialism Hinder Relational Well-Being? The Role of Culture and Social Motives. *Journal of happiness studies, 22*(1), 241-261. <https://doi.org/10.1007/s10902-020-00227-7>