

# Status Conformity, Materialism, Self-Image, and Conspicuous Consumption Behaviour Among Malaysia's T20 Consumers: A Proposed Luxury Consumption Behaviour Framework

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## Abstract

*Despite the economic downturn caused by the COVID-19 pandemic, the spending power of T20 consumers in Malaysia remains robust. The T20 segment, representing the top 20% of income earners, dominates spending on luxury goods, challenging traditional views on consumer responses to economic fluctuations. This study aims to develop a model to investigate the factors influencing conspicuous consumption behaviour among T20 consumers in Malaysia. By focusing on status conformity, materialism, and self-image, the model seeks to enhance our understanding of the motivations behind luxury consumption in this demographic. This research contributes to a deeper comprehension of the consumer market dynamics in Malaysia, with implications for individual well-being and broader societal impacts.*

**Keywords:** Conspicuous Consumption Behaviour, Status Conformity, Materialism, Self-Image, T20 Consumers.

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## 1. INTRODUCTION

Conspicuous consumption has become increasingly prevalent in recent years, reflected in the rise of luxury car sales. Despite a slight decline from 2022 to 2023, brands like BMW and Mercedes-Benz continue to dominate the Malaysian luxury car market, holding 41.0% and 31.4% of market shares, respectively, accounting for 71.4% of sales (Lee, 2024). BMW saw a minimal decline of 0.03% in sales, while Mercedes-Benz experienced a more significant drop of 5.84%, mainly due to growing competition in the luxury car segment (Lee, 2024). However, Malaysia's luxury car market is expanding, with brands like Lexus, MINI, and Porsche experiencing substantial growth in sales, showing increases of 91.44%, 49.05%, and 70.5%, respectively.

This shift in sales dynamics is not solely due to a decline in demand but also to a diversifying market where new and established competitors are gaining ground (Madić et al., 2021; Beard et al., 2021). The evolving rivalry among luxury car brands showcases how competition spurs innovation and diversity, offering consumers better choices and driving market growth (Mohapatra, 2024). Conspicuous consumption is particularly pronounced among Malaysia's T20 group - the top 20% of income earners who significantly influence luxury spending. Luxury cars are often regarded as the most expensive luxury goods, especially among the T20 groups, who prioritize both the luxury and performance aspects of these vehicles (Kanapathipillai et al., 2023). The T20 group, making up 46.8% of Malaysia's total household income with an average monthly income over RM10,971, dominates luxury goods expenditure, particularly in the luxury car segment (DOSM, 2022). This means that nearly half of the nation's household income is concentrated within the T20 group, highlighting their considerable economic influence despite representing a small segment of Malaysia's population (DOSM, 2022). The T20 group, which includes the top 20% of income earners, consists of 1.49 million households (DOSM, 2022). Although they are fewer in number compared to the B40 and M40 groups, the T20 holds a substantial share of the country's wealth. This behaviour reflects their desire to display social status and success, with luxury cars serving as symbols of affluence and sophistication (Ting et al., 2018). Conspicuous consumption among affluent consumers drives market trends and brand strategies, compelling luxury brands to innovate while catering to the aspirational desires of their audience (Pangarkar & Shukla, 2023; Di & Su, 2021). The landscape of conspicuous consumption in Malaysia is evolving, influenced by shifting consumer values, economic conditions, and societal consciousness (Tubadji et al., 2023). Malaysians, especially within the T20 demographic, increasingly align their luxury consumption with values of authenticity, purpose, and social responsibility, seeking a balance between material acquisitions and a broader sense of well-being (Fong, 2023; Bharti et al., 2022).

Previous research identifies key factors driving conspicuous consumption behaviour, including status conformity, materialism, and self-image. This paper aims to explore the motivations behind luxury consumption in Malaysia's affluent demographic and propose a new conceptual framework to better understand these behaviours, enhancing our understanding of consumer market dynamics and strategies for societal well-being.

## 2. LITERATURE REVIEW

### 2.1 *Conspicuous Consumption Behaviour*

Conspicuous consumption, a term coined by sociologist Thorstein Veblen in 1899, describes purchasing and displaying goods and services primarily to project wealth and social status (Veblen, 2017). It is not about acquiring things for their utility but for the message they convey to the consumer. According to the Department of Statistics Malaysia (2023), the T20 groups account for over 60% of luxury goods spending in the country. The T20's significant spending contributes to Malaysian economic growth by driving demand for various goods and services. Luxury goods can also attract foreign investment and establish Malaysia as a hub for high-end products (Brochado et al., 2019; Aminudin et al., 2018). According to Razak et al. (2021) and Khan et al. (2017), one of the luxury goods frequently purchased by the T20 group in Malaysia is likely to be luxury cars. Owning a luxury car from brands such as Mercedes-Benz and BMW is often seen as a mark of achievement and social standing of individuals (Siepmann et al., 2022).

### 2.2 *Status Conformity*

Status Conformity refers to the tendency of individuals to align their consumption choices with those of their desired social groups or reference groups (Assimos et al., 2019). This conformity is driven by a desire to adhere to the perceived norms and expectations of these groups, as well as to enhance or maintain one's social status within them (Topcu, 2018). By acquiring and displaying prestigious and luxury goods, consumers are able to communicate their desired social identity and reinforce their claims of elevated social rank or status. In some cultures, displaying wealth and luxury becomes a way to signal belonging to a particular social group (Topcu, 2018). Cultural expectations and norms can shape what constitutes a status symbol, influencing what people buy and display to be perceived in a certain way. For example, research by Assimos et al. (2019) demonstrates how individuals use consumption choices to signal their social status and gain acceptance within their desired social circles.

### 2.3 *Materialism*

Belk (1985) defines materialism as the importance a consumer attaches to worldly possessions and sees it as a combination of three dimensions that are possessiveness, no generosity, and envy. In contrast, Richins and Dawson (1992) conceptualize materialism as a phenomenon where individuals place material acquisition at the centre of their lives and view possessions as the key to happiness and success. Their operationalization of materialism includes three measures including success, centrality, and happiness. Materialism is also closely linked to luxury consumption, as materialistic consumers believe owning possessions, particularly luxury brand products, symbolizes wealth, success, and social status (Sharda & Bhat, 2018). This perspective sheds light on the underlying motivations and behaviours associated with materialism, closely linked to conspicuous consumption in acquiring and displaying material possessions to signal wealth, status, and social standing.

#### *2.4 Self-Image*

Self-image, in the context of conspicuous consumption behaviour, refers to an individual's perception and representation of themselves, encompassing various aspects such as their actual, ideal, and social self-concept (Klabi, 2020). In the realm of conspicuous consumption, self-image plays a pivotal role in shaping an individual's motivations, preferences, and decision-making processes (Bronner & de Hoog, 2018). It serves as a lens through which individuals evaluate and select products, services, or experiences that align with their self-perceptions and desired self-identities. By acquiring and displaying prestigious brands, it can provide a sense of accomplishment and satisfaction, ultimately boosting an individual's self-worth (Klabi, 2020). For example, someone might purchase a high-end sports car not just for its functionality but because it signifies a sense of adventure and accomplishment.

### **3.0 THEORETICAL DEVELOPMENT AND RESEARCH GAP**

#### *3.1 Status Conformity, Materialism, and Self-Image on Conspicuous Consumption Behavior*

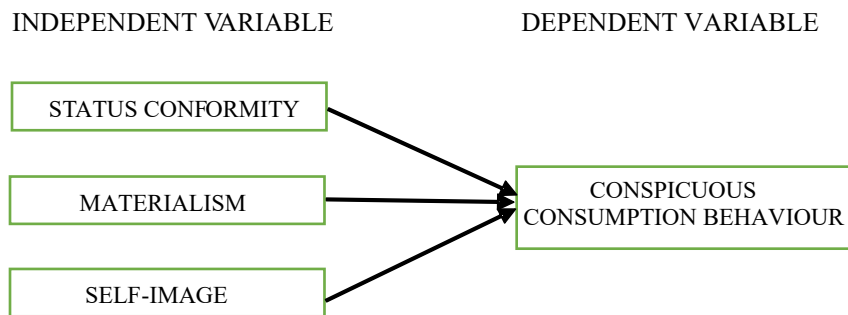
While empirical evidence exists on the individual effects of status conformity, materialism, and self-image on conspicuous consumption, there remains a lack of comprehensive explanations regarding how these factors interact and collectively influence conspicuous consumption behaviour. For instance, Assimos et al. (2019) found that individuals with a strong desire for status conformity are more likely to purchase luxury items, such as designer clothing, high-end vehicles, and exclusive memberships, as a way to signal their elevated social standing. This study, conducted on 398 respondents who had attended a marriage ceremony in the previous six months, primarily focused on status conformity as a key driver of luxury consumption. However, it did not sufficiently explore how status conformity interacts with other psychological and social factors. Similarly, research by Balanabis and Stathopoulou (2021), which surveyed 260 American consumers with annual incomes exceeding \$20,000, found that individuals highly attuned to how others perceive them are particularly sensitive to social norms and more likely to engage in conspicuous consumption to avoid social embarrassment. A limitation of this study is its narrow focus on status conformity, income, and public self-consciousness, potentially overlooking other influential factors like materialism and self-image. Additionally, the study's exclusive focus on Western consumers limits the generalizability of its findings across different cultural contexts.

Regarding materialism, Kolańska-Stronka and Gorbaniuk (2022) conducted a study on 581 Polish students, revealing a positive correlation between materialism and brand engagement in self-concept. Their findings suggest that highly materialistic teenagers are more likely to shape their identities through the acquisition of luxury goods. However, the study does not

delve into the influence of cultural and societal norms on conspicuous consumption behaviour, which may vary across different contexts. Additionally, by focusing solely on teenagers, the study does not address the potential impact of generational differences on these behaviours. Similarly, Sharda and Bhat (2018) explored how materialism drives luxury consumption in emerging markets, finding that consumers often equate the ownership of high-end brands with success and social recognition. This study, involving 342 young Indians from major cities, is particularly relevant to the Malaysian context, where economic growth has fostered a burgeoning middle and upper class with increasing purchasing power. However, the research treats materialism as a singular construct, without deeply exploring how different facets of materialism (such as the pursuit of success versus happiness) distinctly influence conspicuous consumption. Furthermore, the study is limited by its focus on a specific age group and geographic region, overlooking insights from other age groups and consumers in smaller cities.

In relation to self-esteem, Klabi (2020) examines the concept of self-image congruence—the alignment between a consumer’s self-image and their perception of a brand—and how it can foster stronger emotional attachment to high-status brands. In a study of 823 individuals across 21 brands in Saudi Arabia, the research found that consumers often use luxury goods to construct, enhance, or protect their self-image. However, the study overlooks specific consumer motives related to self-consistency, social consistency, and social approval in the context of conspicuous consumption, revealing a gap in understanding the deeper motivations driving consumer behaviour. Additionally, Khalid et al. (2018) conducted a study in Malaysia examining the influence of self-image on purchase intentions for cosmetic products, finding that self-image is crucial in understanding consumer behaviour in this context. However, despite extensive research on self-esteem across various areas, the study's focus on cosmetics overlooks other luxury products, revealing a gap in understanding broader consumer behaviour. While cosmetics serve as personal adornments, larger purchases like automobiles place a greater emphasis on social projection (Rehman et al., 2022).

In the nutshell, several key limitations were identified in the aforementioned research. First, conspicuous consumption behaviour was often analysed using a single predictor in each study, rather than considering the combined effects of multiple factors. Second, many of the studies were focused on Western countries and cultures, limiting the generalizability of their findings. Third, the research tended to concentrate on specific types of luxury products, which restricts a broader understanding of the concept and its impact on consumer behaviour. Considering the existing limitations, the current study will integrate all the predictors (status conformity, materialism, and self-image) in one framework and examine their effects on conspicuous consumption behaviour to bridge the limitations in past literature. Consequently, as described graphically in Figure 1, the author proposed.



*Figure 1: Proposed Conceptual Model*

#### **4. METHODOLOGY**

This study will be employed a quantitative research design to test the proposed model. The research will be involved quantitative surveys with T20 consumers in Malaysia. The survey will be measured the extent of status conformity, materialism, and self-image among respondents and their corresponding levels of conspicuous consumption. A five-point Likert scale will be employed to evaluate respondents' level of agreement with statements pertaining to each construct. The data will be analyzed using Structural Equation Modeling (SEM), which facilitates the simultaneous analysis of relationships among several independent and dependent variables. SEM is particularly appropriate for this study because it offers insights into both direct and indirect relationships among the factors influencing conspicuous consumption.

#### **5. DISCUSSION**

This research contributes to the theoretical understanding of conspicuous consumption by integrating status conformity, materialism, and self-image within a single model. It advances Veblen's theory by applying it to the contemporary Malaysian context, highlighting how these factors interact to drive luxury consumption among T20 consumers. The results will have practical implications for marketers aiming to reach the T20 audience. Through an understanding of the reasons behind luxury purchasing, firms can create customized marketing strategies that appeal to these consumers' materialistic ideals and status. The study's conclusions may also help officials in Malaysia who are

attempting to address the negative social and economic effects of conspicuous consumerism.

## 6. IMPLICATIONS FOR FUTURE RESEARCH

The study's findings will have practical implications for marketing strategies targeting the T20 demographic. By understanding the motivations behind luxury consumption, marketers can tailor their branding and advertising efforts to resonate with the status, materialistic values, and self-image of these consumers. Additionally, the research could inform policies aimed at addressing the social and economic impacts of conspicuous consumption.

Future research could explore the moderating effects of other variables, such as cultural influences or economic conditions, on the relationship between status conformity, materialism, self-image, and conspicuous consumption behaviour. Longitudinal studies could also provide insights into how these relationships evolve over time.

## 7. CONCLUSION

This study proposes a comprehensive model to explore the dynamics of conspicuous consumption behaviour among T20 consumers in Malaysia. By examining the roles of status conformity, materialism, and self-image, the research seeks to provide a deeper understanding of luxury consumption behaviour in this affluent demographic. The proposed model, once tested, is expected to offer valuable insights into the evolving dynamics of modern consumption in a diverse and stratified society. The findings will have implications for both theoretical advancements and practical applications in the field of consumer behaviour.

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