



CONSPICUOUS CONSUMPTION OF IT EMPLOYEES

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Abstract: Conspicuous consumption is the practice of consuming goods or services to display or enhance individual's social status. The concept is not a new phenomenon. It has been part of our economy for long. For this type of consumption people generally spend their disposable income and they consume goods or services which are not necessary but they are luxurious in nature. This paper presents the concept of conspicuous consumption. It describes the reasons behind conspicuous consumption. For the purpose of study IT employees of Infopark, Kochi were selected.

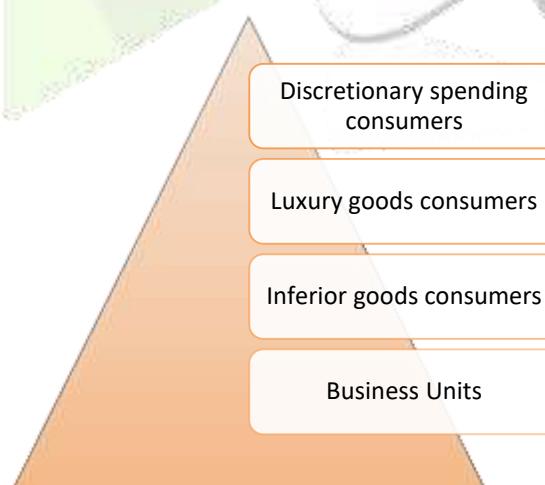
Purpose: To increase knowledge about conspicuous consumption and to know the key factors of conspicuous consumption.

Index Terms- Conspicuous, disposable income, economy, luxurious.

INTRODUCTION

Consumption is an important concept in economics. By consumption we mean the satisfaction of our wants, by the use of commodities and services. Compared to classical economists modern economists give more importance to consumption. And in modern times, consumption is considered as the key factor on which the economy of a country rests. Thus we can say that consumption is the spending of money income. Consumption is considered as the beginning as well as the end of all economic activity. Consumption may be direct or final consumption (goods satisfy human wants directly), indirect or productive consumption (goods not meant for final consumption but for further production) etc.

Categorization on the basis of spending habits of consumers



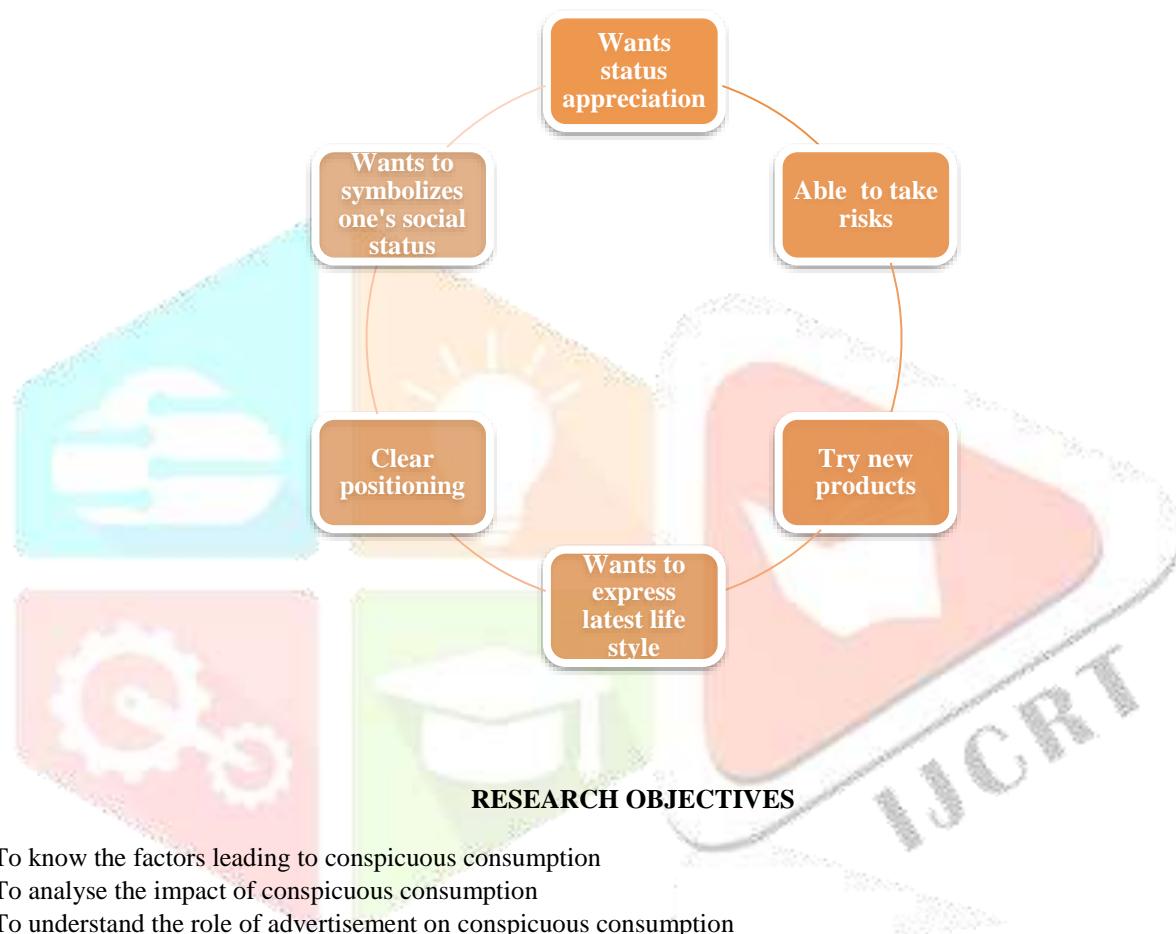
Factors that influence consumption:

- Income
- Occasion
- Advertisements
- Prices
- Values
- Seasons.

Conspicuous consumption can be defined as the behaviours whereby a man or a woman can display great wealth, by means of idleness-expending much time in the practice of leisure activities and spending much money to consume luxury goods and services (A.Trigg, 2001).The term conspicuous consumption was introduced by The Norwegian-American economist and sociologist Thorstein Veblen in his book "The Theory of Leisure Class" published in 1899.The term conspicuous consumption can be referred as people buy expensive goods in order to display wealth and income irrespective of their real needs.

People consume conspicuously because of many reasons. Some argued that it because of the result of capitalism. At the same time others believe that consumption of goods defines who they are as person. There are many theories on the basis of conspicuous consumption and the first one was developed by Thorstein Veblen. According to him there was a direct relationship between person's material possessions and their status. So there happens a lavish consumption of luxury goods like car, jewellery, designer dresses, branded watches etc.Veblen argued that goods consumed by such person were wasteful and also it did not make any practical useful value to that consumer. That's why he referred such consumption as a conspicuous waste.

Characteristics of conspicuous customers



- To know the factors leading to conspicuous consumption
- To analyse the impact of conspicuous consumption
- To understand the role of advertisement on conspicuous consumption

RESEARCH METHODOLOGY

For this research paper 10 qualitative interviews were conducted. It consists of both close and open end questions. And the data for the study was collected from ten IT employees working in Infopark, Kochi. Primary data was collected through personal interviews and the secondary data collected from articles, magazines etc.

RESEARCH FINDINGS

From this study I found that IT employees conspicuously consume products like luxury cars, branded smart phones, wrist watches, and clothing's etc.They become conspicuous because they wanted to express their superiority over the non-possessor. Some of them make conspicuous consumption due to advertisement of a particular product as a luxurious one. Advertisement plays a key role in conspicuous consumption. They create an image in the mind of consumers that the possession of such goods can build high profile status in society. Main motive behind the conspicuous consumption is that each one of them wanted to achieve high social status among colleagues and in society.

It also found that some employees want to improve their social status rather than satisfy their basic or personal needs. People under this category need only status appreciation. Others believe that by using or consuming luxurious goods they can hide their personal insecurities; Possession of such goods create public image and can mask their shortcomings. After conspicuous consumption majority of them have the opinion that they achieved a positive self-image in society. At the same time some individuals stated that conspicuous consumption leads to financial crises which badly affect their daily life.

CONCLUSION

It's a fact that conspicuous consumption helps in economic growth. People spend their disposable income for purchasing luxurious goods and working class will be able to make more income. When a person purchases a product, that particular company makes money. So they will be able to hire more employees. Thus when the workers earn more wages they can achieve reasonable standard of living which create positive change in the economy. Individuals who are not able to afford luxurious goods go with conspicuous consumption will negatively affect the family life which leads to financial crisis. Such person's consume conspicuously not to satisfy their personal needs but to create public image. India is country with millions of people living under poverty still has a growing market for luxurious products.

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