



## Self-enhancement and individual competitiveness as mediators in the materialism/consumer satisfaction relationship

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### ARTICLE INFO

#### Keywords:

Materialism  
Consumer satisfaction  
Self-enhancement values  
Competitiveness  
Mediation

### ABSTRACT

Researchers have examined materialism and consumer satisfaction for several decades. The relationship between the two variables has continued to get increasingly complex as material goods become more abundant. The purpose of this research is to better understand the relationship between materialism and satisfaction by looking at its relationship to two institutional forces: values and competitiveness. Specifically, the relationship between materialism, self-enhancement values, individual competitiveness, and consumer satisfaction is examined. The results indicate that the relationship is more complex than previously assumed. Specifically, the findings show that the direct relationship between materialism and satisfaction is negative. However, in addition to a negative direct effect, self-enhancement values and individual competitiveness serially mediate the relationship between materialism and consumer satisfaction, where each variable connection is positive. As such, this research helps explain inconsistencies in prior materialism and satisfaction research.

### 1. Introduction

Materialism describes a personality trait that examines the extent to which a consumer places importance on their worldly possessions (Belk, 1985). Research on materialism has been increasing at a rapid pace since Belk's (1985) initial examination it helps marketing researchers understand consumer societies better. The nature of materialism research has been very diverse including, among other factors, its definition, measurement, individual intentions, environmental consequences, and its antecedents. Materialism has also been studied in several fields in addition to marketing, including psychology, advertising, anthropology, economics, psychology, and political science (Mannion & Brannick, 1995; Srikant, 2013).

However, previous research examining the relationship between materialism and consumer satisfaction gets mixed results. Specifically, some research indicates that materialism is good for consumer happiness and satisfaction, and other research suggests it is detrimental. We propose that the contradicting results may stem from a lack of understanding of the role(s) that institutional variables play in the materialism/consumer satisfaction relationship. Despite the previous literature on materialism, there is a paucity of research relating to the historical and institutional forces that affect material consumption (Arnould & Thompson, 2005).

Therefore, the purpose of this research is to examine the

materialism/satisfaction relationship in a more comprehensive framework that includes institutional variables. Specifically, we examine the relationship between materialism and two institutional forces (i.e., self-enhancement values [enhancement] and desire for individual competitiveness [competitiveness]) and their impact on consumer satisfaction. As with most previous research on materialism, we take materialism as it exists in market society now and consider its effects on consumer satisfaction. Its genesis is not considered. This approach conforms to Baker, Moschis, Ong, and Pattanapanyasat (2013), who argue that to understand existing materialism better, models should consider mediating, moderating, and other conditional variables.

A brief explanation of the variables in the model and their relationships is provided in the next section of the paper. We use neo-classical economics as our theoretical platform to justify the inclusion of our variables. As each theoretical relationship in the model is developed, the hypothesis that derives from it will be stated. This study's contribution to the materialism literature is twofold. First, we confirm that institutional level variables are necessary to understand the relationship between materialism and consumer satisfaction better. Second, by demonstrating the mediating role of institutional values and competitiveness on materialism and satisfaction, better managerial decisions and public policy legislation may be made.

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## 2. Conceptual framework

The foundational principle in market-based societies (such as the US) has and continues to be the belief that competitive markets constitute the provisioning technology for the satisfaction of consumer needs. While there may be some disagreement on exactly how this should happen, markets are still the means to individual and social satisfaction. This suggests that the underlying institutions of market societies are still those that were developed in the realm of neoclassical economics. Specifically, the consumer's goal is to maximize his/her satisfaction, and the market provides the means to do so. The 2016 presidential debates substantiated that competitive markets are still the essence of American economics and marketing, and the question is not whether we should defer to them or not, but what level of external intervention is needed to make them most efficient.

The aforementioned market mentality can be described as follows: A market economy is an economic system in which individuals own most of the resources - land, labor, and capital - and control their use through voluntary decisions made in the marketplace. It is a system in which the government plays a small role. In this type of economy, two forces - *self-interest* and *competition* - play a very important role. (Wolla, 2012 – italics added for emphasis)

In this assessment, self-interest is described as the motivator of economic activity, and this suggests that individuals behave in such a way to seek their personal gain. This is carried out by seeking advantage over others in the exchange relationship. Further, the neoclassical economics model presumes self-interested behavior as a necessary condition for market societies. Specifically, it is assumed that all participants are endowed with the characteristic of self-interest, that allows them to secure favorable exchanges in the market.

The second institution forming the basis for the neoclassical model of consumer well-being is individual competitiveness within the market. Here, each atomistic individual consumer seeking his/her own interest confronts all others in an adversarial relationship with the other seeking his/her own interest as well. It is assumed that the competitiveness between each entity is what keeps the system as a whole fair. Thus, competition is the regulator that keeps self-interest in check.

What is at question in this research, however, is not whether free exchanges maximize the interest of society, but whether they enhance the well-being (consumer satisfaction) of the individual who believes that his/her self-interest consists in the accumulation of material goods. While it is assumed in neoclassical economic theory that it does, recent research in consumer satisfaction/well-being suggests that it may not. Specifically, starting circa 1985, the majority of materialism studies demonstrate that materialistic consumers who succeed in the pursuit of material goods frequently do not enhance their well-being, and, in some cases, actually diminish it. Fromm's (1947) work provides a theoretical basis for this outcome, but very little contemporary research in materialism provides such a framework. The purpose of this paper is, as stated earlier, to examine the relationship between materialism and consumer satisfaction in a more refined way by including the institutional variables that form the basis for market society in the neoclassical model.

Consumers who are socialized in the US are continuously exposed to the materialistic lifestyle, individual competitiveness, and enhancement values from early life and, with few exceptions, adopt those values as their own (Fromm, 1947). Consequently, we propose a model in the next section that includes values of materialism, enhancement, and individual competitiveness as the independent variables with consumer satisfaction as the dependent variable. This model is proposed with the assumption that consumers in the US have materialistic values coming into the market the institutions of which are consistent with materialism and reinforce its values in the market's normal functioning. Thus, we are not trying to determine the origin of materialistic values (for an overview of this, please refer to Ewen, 1976), but only how they affect

perceptions of consumer satisfaction when filtered through the institutions of the market process.

### 2.1. Materialism and satisfaction

The core of our model is based on better understanding the relationship between materialism and consumer satisfaction. As previously mentioned, there are mixed results when examining this relationship. One side of the argument is derived from neoclassical economics in which materialism is considered innate and good. This perspective can be seen in the definition of hedonism that views material objects or experiences as pleasurable (Waterman, 2008). Similarly, the “American Dream” taught us that happiness could be bought. That is, a new car, a large house in the suburbs, and expensive clothes allow us to be happy (Kasser, 2000). The external rewards of growth and materialism are then used to encourage society to continue to work hard and further benefit society (Mishan, 1967).

Some marketing research has supported the idea that material goods can lead to increased consumer satisfaction. For instance, Hudders and Pandelaere (2012) find that luxury consumption increases the consumer's mood, which leads to greater life satisfaction. Further, Holt (1997) and Belk (1988) explain that consumption behavior and material goods are used in developing identity and self-concept. Belk (2013) later explains that even digital possessions can be used to help form our self-concept. Material goods have also been shown to create collective experiences and brand communities (e.g., Rose & DeJesus, 2007; Schouten & McAlexander, 1995).

However, as previously mentioned, the bulk of materialism literature argues that the relationship between materialism and satisfaction is negative. For instance, materialism lowers satisfaction (Norris & Larsen, 2011) and distracts individuals from a meaningful life (Kasser, 2000). Many traditional behavioral psychologists believe that extrinsic rewards that rely on the approval of others can lead to lower satisfaction and inhibit the attainment of progress toward self-actualization (Fromm, 1976; Maslow, 1954; Rogers, 1961). Sirgy (1998) demonstrated that materialistic people tend to have inflated expectations of their standard of living that could lead to lower evaluations of their well-being.

Bauer, Wilkie, Kim, and Bodenhausen (2012) demonstrated that more materialistic individuals experience relatively low levels of social satisfaction. Kasser and Ryan (1993) found that wealth and financial success lead to lowered self-actualization, lowered well-being, and increased depression and anxiety. Materialism is also linked to decreases in subjective well-being (Burroughs & Rindfleisch, 2002; Richins & Dawson, 1992) and decreased life satisfaction (Keng, Jung, Juan, & Wirtz, 2000; Ryan & Dziurawiec, 2001). The most commonly accepted reasoning for the negative relationship is that materialism inhibits focus on intrinsic resources such as social relations, family, and happiness (Karabati & Cemalcilar, 2010; Kasser & Ryan, 1993).

This means we have two competing hypotheses regarding materialism and satisfaction. The first competing hypothesis is based on the neoclassical model suggesting a positive relationship between materialism and consumer satisfaction. Specifically, self-interested, materialistic individuals competing in markets will find the greatest satisfaction for both themselves and society. The second competing hypothesis is based on contemporary marketing which suggests a negative relationship. Specifically, recent research suggests, in following the established institutions of US society, individuals may be developing negative psychological states that take them further from satisfaction rather than toward it. Therefore, we propose the neoclassical model as the null hypothesis and the marketing model as the alternative model.

**H1.** A positive direct relationship exists between materialism and consumer satisfaction.

We suggest that the previous inconsistencies between the neoclassical model and current marketing developments may stem from

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