ANTecedents And CONSequences
OF status CONsumption AMong urban
Vietnamese consumers

Nguyen Thi Tuyet Mai*,•
School of Public Policy & Management, National Economics University, Vietnam

Siok Kuan Tambyah**
NUS Business School, National University of Singapore, Singapore

Abstract. This study examines the antecedents and consequences of status consumption in the transitional economy of Vietnam. Both qualitative (focus groups and in-depth interviews) and quantitative methods (survey) were employed in this investigation. To test the proposed model and hypotheses, a large consumer survey was conducted in the two biggest cities in Vietnam. The results of Structural Equation Modeling provided empirical evidence for the significant impact of most of the proposed antecedents of status consumption. Specifically, modern status orientation, the ‘success’ component of materialism, and both the individualistic self and collectivistic self were found to have a positive impact on status consumption. Traditional status orientation and consumer ethnocentrism were found to be negatively related to status consumption. The findings also suggested the positive consequences of status consumption on satisfaction with status consumption and satisfaction with life in general. Discussion of the research findings and managerial implications are also provided.

Key words: status consumption, status orientation, materialism, transitional economy, Vietnam.

Introduction

Status consumption, that is, the consumption of goods and services for displaying status, is an interesting facet of consumer behavior which is of theoretical and managerial importance. Veblen (1899) in The Theory of the Leisure Class described conspicuous consumption as consumption activities that were undertaken by the 19th century nouvelle riche consumers for the purpose of exhibiting their newly minted wealth and by extension, their social standing. Industrialization and technological advancements throughout the 20th century have paved the way for a thriving middle class, the democratization of access to resources, and the continuing desire for and pursuit of
consumer goods and services. Thus the consumption of goods and services for the sake of status has become a pervasive phenomenon in many societies.

It has been suggested that significant levels of status consumption (SC) are expected in transitional economies (TEs) where the movement of the centrally planned economy toward a market system has provided consumers with the motivation and opportunity for engaging in SC (see Belk, 1999; Lascu et al., 1994). Previous research has mainly focused on the SC phenomenon in developed and primarily Western societies. In these societies, status is increasingly conveyed in more subtle ways; thus SC may be reflected in educated or “tasteful” expenditures such as marginalized art-forms and experiences (Chaudhuri & Majumdar, 2006). However, in TEs where affluence is a new phenomenon, emerging middle and upper class consumers might feel the need to display their newfound wealth. Economic achievement would be a cultural fixation, and therefore consumers may place more emphasis on symbolic products to claim a desirable status (see Wong & Ahuvia, 1998). Although research on developed societies may be useful, it serves as a starting point due to the uniqueness of the consumption situation in TEs (Feick et al., 1995).

As a TE, Vietnam is opening up to many new marketing experiences. Although each TE market is unique in its own aspects (Batra, 1997), Vietnam is expected to share common characteristics with other TEs such as China. Urban Vietnamese consumers, similar to urban consumers in other TEs, now tend to engage in the consumption of luxury goods and services, and aspire to own foreign imported brands for an image of status (Fforde, 1998; Toyama, 2001). It is noted that “goods, brands, and symbols associated with popular culture and SC are very much a part of Vietnam now and their popularity is increasing exponentially” (Shultz, Pecotich & Le, 1994, p. 247).

This study attempts to enhance the current understanding of SC by examining how urban consumers in the TE of Vietnam are motivated to engage in SC, and exploring some possible consequences of this consumption behavior. Specifically, this study models and tests a set of important antecedents of SC. These variables include status orientations (traditional status orientation and modern status orientation) (Tambyah et al., 2009), materialism (success, centrality, and happiness) (Richins & Dawson, 1992), self-perception (individualistic self and collectivistic self) (Singelis, 1994; Singelis et al., 1995), and consumer ethnocentrism (Shimp & Sharma, 1987). This study also models and tests the consequences of SC, focusing on two possible outcomes: SC satisfaction and life satisfaction.

In summary, the purpose of this study is to investigate and empirically test the antecedents and consequences of SC in the context of Vietnam. This study will also contribute to a richer understanding of consumer behaviors in TEs, especially those related to consumption for the sake of status. To this end, we first present the theoretical background on SC, how SC is manifested in TEs, and the antecedents and consequences of SC in TEs. Next, we outline the hypotheses of this study. Then, we discuss the methodology and results. Finally, the study’s conclusions are presented.
1. Theoretical background and hypotheses

1.1. Defining status consumption

The definition of status consumption used in this study is developed by Eastman et al. (1999) and refers to “the motivational process by which individuals strive to improve their social standing through the conspicuous consumption of consumer products that confer and symbolize status both for the individual and surrounding significant others” (p.43). Based on this conceptualization, they developed a unidimensional scale measuring SC. This scale comprising five items will be adopted for measuring SC in this study.

1.2. Status consumption in transitional economies

The transition of centrally planned economies to free market systems is considered one of the most significant economic phenomena of the 20th century with a wide-reaching global impact (Young et al., 2002). Transitional economies often refer to countries that were centrally planned in the past and which are undergoing a market transition in the present. Some Eastern European countries such as Poland, East Germany, the Czech Republic and Russia began transitioning their economies during the late 1980s to the early 1990s, and have completed the transition process albeit with different levels of success (Gartin et al., 2009). In Asia, China and Vietnam started economic reforms in the late 1970s and late 1980s respectively and have achieved high growth rates over recent years. However, they are still in the process of transition.

From the consumption perspective, TEs are “going through a period of transition from a planned economy, where consumption was prescribed, to a market economy, where consumers are free to pursue their acquisition fantasies” (Lascu et al., 1994, p.92). Although there is some variance across TEs, the extant literature has suggested that TE markets typically share some common characteristics. They are briefly presented as follows. First, TEs are often mentioned as emerging markets with growth potential (Batra, 1997), although they have been coping with enormous challenges. Second, although the annual consumer income per capita in TEs is still low compared to Western standards (Batra, 1997), the living standards in TEs have been improving and consumption patterns have changed. For instance, prior to the economic reform, most of the income of a Chinese family was spent on necessities. After the reform, with increased incomes, people have started paying attention to luxury items (Fan, 2000). Third, Shultz & Pecotich (1997) suggested that although the consumers in TEs were generally poor and “unsophisticated”, this was changing fast. A nascent phenomenon in these economies is the rapid growth and attractiveness of a middle class in urban areas, which will drive domestic consumption. Fourth, the literature also suggests that by implementing an ‘open door’ policy, TEs have created a new marketing environment in which consumers are aware of and purchase many kinds of goods and services from around the world (Feick et al., 1995; Shultz & Pecotich, 1997). Along with economic reforms, there are also social changes involving consumer values, attitudes and behaviors.
Some buying and consuming behaviors that were not socially accepted or scarce in the past due to market constraints have now become increasingly prevalent in TEs. These behaviors include impulse buying and the consumption of luxury products and brands. The significant changes in TEs also suggest opportunities and motivations for SC, which is becoming an important and rampant phenomenon among many consumers (Tambyah et al., 2009).

Vietnam, an Asian TE, is considered a typical case of an ‘emerging economy’ undergoing significant changes (cf. Truong et al., 2010). Vietnam started its Doi Moi (i.e., economic renovation) in 1986. Given the changes in the marketing environment, Vietnam is considered to have great potential as a consumer market with many consumers exhibiting strong desires for luxury products. As a TE, Vietnam shares common characteristics with other TEs such as high growth rates, improved living standards, and changes in the patterns of income distribution with the presence of emerging middle-class consumers. It is expected that Vietnam would present a meaningful research site for investigating SC in the context of TEs.

Belk (1999) has suggested that consumers in TEs have very strong desires for luxuries, and the most basic explanation for this desire is ‘a desire for respectability’. In practice, the phenomenon of having a rampant desire for luxury products and strongly engaging in luxury consumption for the sake of status have been found in many TEs such as China and Vietnam (Belk, 1999; Fforde, 1998; Tambyah et al., 2009; Toyama, 2001). In Vietnam, it has been suggested that the consumption of goods, brands, and symbols that are associated with status has captured the hearts and minds of many Vietnamese (Shultz and Pecotich, 1994), and the trend is becoming more pervasive (Shultz, Pecotich, & Le, 1994). The prominence of this SC may result from the sudden emergence of opportunities for luxury in TEs and the pent-up desires of consumers after years of deprivation (Belk, 1999).

1.3. Antecedents of status consumption in transitional economies

Prior research has suggested several social-psychological, brand and situational antecedents of SC (Shukla, 2010). Past research has also suggested the role of the bandwagon effect in explaining innovation adoptions (e.g., Abrahamson & Rosenkopf, 1993), and specifically status/luxury product purchasing behavior (e.g., Dubois & Duquesne, 1993; Vigneron & Johnson, 1999). In addition, the impact of several demographic factors such as income and the level of education on SC has also been examined (e.g., Chao & Schor, 1998; Dubois & Duquesne, 1993). This study focuses on several individual difference variables as possible antecedents of SC in TEs. The hypothesized relationships are presented in the conceptual framework (see Figure 1).

Status orientation. Status orientation is defined as a motivational construct that emphasizes the importance that consumers place on status symbols and the belief that obtaining the status symbols could help them achieve their desired social standing (Tambyah et al., 2009). The construct has two sub-constructs, traditional status orientation (TSO) and modern status orientation (MSO), which respectively refer
to consumers’ orientation toward emphasizing traditional status symbols (before the economic transition) and modern status symbols (at present, after the economic transition).

Past research has suggested that consumers who hold a MSO tend to place a high value on possessing luxury objects, being rich and wealthy, and being talented in earning high income. They believe that buying and consuming new and better products and brands, and luxury products that are newly available in the market may help them gain and enhance their social status (Foxall, 1988; Rogers, 1983; Steenkamp et al., 1999). Accordingly, they are expected to engage more in the acquisition, purchase and consumption of status-enhancing goods and services.

A study by Dubois & Duquesne (1993) suggested that the propensity to buy luxury goods was positively correlated with the attitude towards cultural change. In line with

FIGURE 1. Conceptual framework
this, it is expected that consumers with a MSO are more likely to have positive attitudes toward the changes resulting from the economic transition. Hence, they are more likely to engage in learning new things, experiencing new consumption patterns, and indulging in SC.

It also appears that consumers who highly value modern status symbols are more likely to have benefited from the reforms and who are characterized as wealthier, better educated, and more receptive to international brand appeals. Being young, they are not strongly influenced by traditional values. They have more opportunities to be exposed to the global media and more chances to travel abroad, thus, they are more likely to be influenced by the modern lifestyles, and have new ways of thinking. Accordingly, they are more likely to be interested in and to be able to afford luxury products. Collectively, these arguments suggest the following hypothesis.

\[ H_{1a} \]: Modern status orientation is positively related to SC.

In contrast, consumers with a TSO are more conservative about modern status symbols such as having money and power. The typical symbols of status in the past in Vietnam are *morality* and *talent*, with more prominence given to the first factor (Nguyen et al., 2002). It is expected that consumers who hold a TSO tend to place a high value on status symbols that are not linked with material possessions. In other words, being rich does not convey a high status, wealth is not a means to display their position in life, and luxuries are not coveted. In contrast, what they value is having high moral values and living a life of integrity and thrift. Accordingly, they may engage less in SC.

In addition, it is anticipated that consumers with a TSO are more likely to have positive attitudes toward the past, and thus are more likely to have negative (or less positive) attitudes toward the changes resulting from the economic reforms. As a result, they are less likely to be interested in learning new things and to have chances to be exposed to new/modern lifestyles. Moreover, it is expected that these consumers are more likely to be older individuals who have lived a good part of their formative years under the command economy system. Some of them may be less educated (or at least lacking new knowledge and skills), and less flexible (lacking ability to adapt to the new environment), and hence, less able to become wealthy. Consequently, they are expected to engage less in SC. Based on the above discussion, we hypothesize the following:

\[ H_{1b} \]: Traditional status orientation is negatively related to SC.

*Materialism.* In consumer research, researchers have viewed materialism as a personality trait (Belk, 1984, 1985; Ger & Belk, 1993), and as a consumer value (Fournier & Richins, 1991; Richins, 1994; Richins & Dawson, 1992). Richins & Dawson defined materialism as a “set of centrally held beliefs about the importance of possessions in one’s life” (1992, p.308). They identified three important belief domains of materialism: a) *success* (the extent to which one uses possessions as indicators of success and achievement in life), b) *centrality* (the extent to which one places possession acquisition at the center of one’s life) and c) *happiness* (the belief that possessions are essential to satisfaction and well-being in life). Past research has suggested a positive
link between materialism and SC (Eastman et al., 1999; Fournier & Richins, 1991). In the context of TEs, a strong relationship between materialism and SC has also been implied in the literature (cf., Belk, 1999; Ger et al., 1993; Lascu et al., 1994). Among the three components of materialism, ‘success’ is considered as a status component and seems to show the strongest link to SC (Deeter-Schmelz et al., 2000; Richins & Dawson, 1990; Wong, 1997; Wong & Ahuvia, 1998). Although the other two components (i.e., ‘centrality’ and ‘happiness’) do not seem to demonstrate a strong and direct link to SC, we find it interesting to explore the impact of these components in the new research context of Vietnam as a TE. In our model, the three components of materialism are treated separately (cf. Purdue & Summers, 1991; Wong, 1997). Based on the above discussion, we hypothesize:

\[ H_{2a} \]: Success is positively related to SC.

\[ H_{2b} \]: Centrality is positively related to SC.

\[ H_{2c} \]: Happiness is positively related to SC.

Self-Perception: the individualistic self and the collectivistic self. It has been noted that different perceptions of the self influence purchase behavior, and help explain how and why consumers use products to communicate their image to others (O’Cass & Frost 2002). Among the many theoretical configurations of the self, a widely accepted conceptualization is the individualism-collectivism dimension. Singelis (1994) argued that two aspects of the self, the independent self and the interdependent self (self-construals), could and did coexist in individuals. These two views of self have also been called the individualistic and collectivistic self-concepts (Ahuvia & Wong, 1998).

In Vietnam, it has been suggested that due to the economic transition, varying levels of individualism and collectivism could coexist in Vietnamese consumers (Nguyen et al., 2003). It is expected that consumers with a well-developed individualistic self tend to emphasize personal goals and achievement, and are competitive. In addition, they tend to place a high importance on expressing the self and being unique. In contrast, consumers who lean towards a collectivistic self tend to place more emphasis on group goals, fitting in with others, being obedient, retaining relationships, and maintaining harmony with others. Wong (1997) argued that the values of individualism correspond to the goal of SC. The reverse relationship is suggested for collectivism. Thus, we hypothesize:

\[ H_{3a} \]: The individualistic self is positively related to SC.

\[ H_{3b} \]: The collectivistic self is negatively related to SC.

Consumer ethnocentrism. Consumer ethnocentrism refers to consumers’ tendency to make normative judgments about the appropriateness of supporting the national economy by buying domestic-made products and not buying foreign-made ones (Shimp & Sharma, 1987). In TEs like Vietnam, many foreign brands and products, often from developed countries, are generally perceived to be of superior quality, and to
carry significant prestige value (Belk, 1999; Klein et al., 2006; Supphellen & Rittenburg, 2001). It is evident that the purchase and consumption of foreign luxury products in TEs could help confer status upon their owners, and status-enhancement is considered a primary motive driving the purchase of foreign products (Batra et al., 2000; cf. Zhou & Hui, 2003).

Previous studies, including the research in the context of TEs, generally have found that ethnocentric tendencies are negatively related to attitudes toward foreign products and purchase intentions (e.g., Klein et al., 1998; Lantz et al., 2002; Marcoux et al., 1997; Sharma et al., 1995). It is predicted that consumers with a lower degree of consumer ethnocentrism, and who are more likely to show a preference for foreign products, tend to engage more in buying and consuming products for status. Thus, the following hypothesis is presented.

**H₄**: Consumer ethnocentrism is negatively related to SC.

### 1.4. Consequences of status consumption in TEs

**Status product ownership.** Consumers with a strong need for prestige often seek to purchase symbolic products that confer status on their owners (Deeter-Schmelz et al., 2000). Past research has also acknowledged that ownership of specific products or brands may denote status within consumption communities who know what these products and brands signify (O’Cass & Frost, 2002). Therefore, we predict:

**H₅**: SC is positively related to status product ownership.

**Status consumption satisfaction.** For the specific purpose of this research, we conceptualize SC satisfaction as a consumer’s degree of satisfaction with the consumption experiences related to luxury products, specifically with consumption for the sake of status. It is expected that those who hold higher tendencies to buy and consume products for status would have a stronger need for and place greater importance on the status and prestige that are associated with products. Since luxury products often convey high status in TEs (Lantz et al., 2002; Supphellen & Rittenburg, 2001), it is expected that when consumers use the luxury products, their status would be enhanced. Hence, they would be happy about their luxury consumption experience. Accordingly, the more the consumer engages in owning and consuming status products, the more her/his status is promoted, and the more s/he is likely to enjoy the status products and have satisfied feelings. Thus, we hypothesize the following.

**H₆**: Status product ownership is positively related to status consumption satisfaction.

**Life satisfaction.** In this study, life satisfaction refers to global well-being or satisfaction with life in general. Leelakulthanit et al. (1991) investigated the influence that different domains of life had on an individual’s satisfaction with life as a whole in a developing country. They found that an individual's satisfaction with material possessions had a positive effect on satisfaction with life as a whole because material
possessions helped define who one was, how one was different from others, and what one had achieved.

With regard to SC in TEs, Belk (1999) noted that luxuries were especially appealing and important to certain groups of consumers. These consumers seemed to have stronger motivations and opportunities to engage in luxury consumption. Accordingly, they may show strong commitment to consuming luxury goods and services as an important domain of their lives. Consumers’ satisfaction with luxury consumption is expected to play a significant role in the overall satisfaction with life for certain groups of consumers in TEs. Thus, we predict the following:

\[ H_7: \text{Status consumption satisfaction is positively related to life satisfaction.} \]

2. Methodology

2.1. Qualitative study

Due to the relatively new research context of Vietnam and the need to assess the suitability of established scales before a major survey, we implemented a preliminary qualitative study. Four focus groups and 34 in-depth interviews were conducted in Hanoi and Ho Chi Minh City (HCMC), the two biggest cities of Vietnam. The interview data was collected in tandem with the focus group discussions. The collected data were analyzed following suggestions from past research such as Kreuger (1998) and Otnes et al. (1997) for the focus group data, and Arnould & Wallendorf (1994) and Thompson & Tambyah (1999) for the interview data.

The qualitative study provided important insights into the SC phenomenon in the context of Vietnam. Several key issues were identified including rapid changes in the economic environment and consumer values, the emerging trend of luxury consumption in the urban areas of Vietnam, the motivations behind this phenomenon including the display and enhancement of social status, and the outcomes of SC in which the positive outcomes seemed more salient in consumers’ experiences. Generally, the qualitative findings provided support for the face validity of the framework and the proposed relationships. The findings from the qualitative study also provided inputs for modifying existing scales and developing new scales that measured status product ownership and status consumption satisfaction. Other issues regarding the design for the survey questionnaire were also examined including the format of the questionnaire and the wording of the questions.

2.2. Scales for main survey

All scales used in this study were self-report measures. Most scales were empirically validated scales from past research and were modified based on insights from the qualitative study. Some were developed specifically for the research context of Vietnam; these scales were also subject to validity and reliability tests before being used for this study.
For *status consumption*, the main construct of this study, we adopted the SC scale (five items) developed by Eastman et al. (1999). For the antecedents of status consumption, the scales used were validated measurements from various studies. The *status orientation* scales comprising a five-item Traditional Status Orientation subscale and a five-item Modern Status Orientation subscale were adopted from Tambyah et al. (2009). These scales were developed for the specific context of Vietnam. For *materialism*, an 18-item scale comprising the three components of success, centrality and happiness was used (Richins & Dawson, 1992). To measure the two aspects of self (*the collectivistic self* and *the individualistic self*), we used a scale of 14 items (two subscales) adopted and modified from the self-construal scale developed by Singelis (1994) and Singelis et al. (1995). The 10-item reduced version of the CETSCALE developed by Shimp & Sharma (1987) was adopted, after some modifications, for measuring *consumer ethnocentrism*.

For the consequences of SC, we adopted and modified two items from Fitzsimons et al. (1997) and developed four items based on suggestions from the qualitative study (focus groups and in-depth interviews) to measure *status consumption satisfaction*. Three items were used to measure *life satisfaction*, adapted from Richins & Dawson (1992), and based on suggestions from our qualitative study. We also developed a scale for *status product ownership* to examine the extent of actual SC and the specific products and services consumed that includes two lists of status products\(^1\). In our survey, we asked respondents to check the items that they had bought, used and/or received over the course of the last one-year (List 1) and the last three years (List 2).

All the measures in this study are multiple-item scales. The response format of all scales, except the measure of status product ownership, was a 5-point scale anchored by “Strongly Disagree”/“Strongly Agree”. All the scales and their respective items are reported in the Appendix. The initial questionnaire containing all the scales was assessed for cultural compatibility and adequacy for a Vietnamese sample (Klein et al., 1998). This task was implemented by three Vietnamese professionals who hold MBA degrees and are fluent in English. The initial questionnaire in English, after being translated into Vietnamese, was back-translated into English by outside translators (Hui & Triandis, 1985). Two Vietnamese experts in English were employed for this purpose. After that, the initial questionnaire in English and the translated version (in English) were given to a native speaker of English (an American visiting professor at the

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\(^1\) The initial lists of status products (more than 40 items that urban Vietnamese consumers often buy/use or own to display and enhance their status) were generated from different sources of information including the qualitative study. For easier administration, we reviewed and shortened the list to 23 status products which, then, was submitted to a checklist survey of 30 consumers. From the responses, the list was further reduced to 16 most popular status items. Finally, several local experts classified all the items in the 16-item list on several criteria including price, diffusion level, and repurchase rate (cf., Dubois and Duquesne, 1993). The final two lists of status products include eight items that the consumer has bought, used and/or received over the course of the last one-year (List 1) and eight items that the consumer has bought, used and/or received over the course of the last three years (List 2).
National Economics University in Hanoi, Vietnam) to ensure linguistic and conceptual equivalence between the Vietnamese and English versions. Any differences were raised, discussed, and resolved. Any modifications deemed necessary were also made for the Vietnamese version. After completing the process of checking and revising, the Vietnamese version was pre-tested with a small convenience sample (MBA students) for a final check. Again, changes were made if necessary for the purpose of accuracy and clarity.

2.3. Sample and data collection

We delivered 800 questionnaires to respondents in the two biggest cities in Vietnam (400 in Hanoi and 400 in HCMC). In each city, we chose three districts -- the central district-downtown, where our qualitative study suggested that a considerable number of emerging consumers live in, and two other randomly selected districts. The method of self-administered survey was employed for this study. In each city, a trained data-collection team went door-to-door to distribute the questionnaires at the respondents’ homes and came back later to collect the completed surveys.

In each district, several living quarters were selected, and a random sample of respondents was pulled from each living quarter. In that process, income is the key factor for including emerging middle-class respondents in the sample. In addition, to

| TABLE 1. Demographics of the sample (n = 534) |
|------------------|---------|----------|
| Characteristic   | Frequency | Percentage|
| Gender           |          |          |
| Male             | 286      | 53.7     |
| Female           | 247      | 46.3     |
| Marital Status   |          |          |
| Single           | 212      | 40.1     |
| Married          | 317      | 59.9     |
| Age group (years)|          |          |
| < 25 (18-24)     | 51       | 9.6      |
| 25-45            | 453      | 85.2     |
| > 45 (46-66)     | 27       | 5.2      |
| Education        |          |          |
| ≥ bachelor degree| 469      | 90.2     |
| < bachelor degree| 51       | 9.8      |
| Average Monthly  |          |          |
| Family Income    |          |          |
| US$ 300 – 500    | 406      | 76.2     |
| > US$ 500        | 127      | 23.8     |
| Occupation       |          |          |
| Managers and executives | 92 | 17.4 |
| Professionals    | 418      | 78.8     |
| Others           | 20       | 3.8      |
| Working for      |          |          |
| State owned companies/organizations. | 202 | 39.1 |
| Foreign companies /Joint ventures | 169 | 32.8 |
| Private companies & Joint Stock companies | 145 | 28.1 |
enhance the representativeness of the sample, other demographic characteristics were considered (e.g., gender, age, and ownership of the company the respondent is working for). These characteristics were mainly drawn based on suggestions from the findings of our qualitative study. We also checked the respondents’ answers regarding the number of items on the lists of status products. Those respondents who did not own any of the products in List 1 and List 2 were dropped. The final sample comprised 534 subjects (268 from Hanoi and 266 from HCMC). The demographic profile of our final sample is presented in Table 1.

2.4. Data analyses

Structural equation modeling (SEM, using AMOS 4.0) was used to test the hypothesized model. Before testing the hypotheses, we tested the measurement properties of the model using latent variable SEM (Klein et al., 1998). Several procedures were used to serve that purpose. We analyzed each construct in our model separately and assessed the fit of the indicators to each construct using maximum likelihood confirmatory factor analysis. After that, all constructs were submitted simultaneously for fit assessment in the full measurement model. The structural equation analysis (using AMOS 4.0’s maximum likelihood method) was then applied to estimate path coefficients for each proposed relationship in the structural model.

3. Results

3.1. Properties of measures

Given the relatively new research context of this research and the use of several scale items that were developed for this study, we conducted an exploratory factor analysis (EFA) and reliability assessment (using coefficient alpha) before performing confirmatory factor analysis (CFA). All the scales submitted to CFA demonstrated a satisfactory level of reliability with coefficient alphas exceeding the cut-off value of .70, except the centrality component of materialism (alpha = .68). In order to assess measurement validity, we then performed CFA, using AMOS4 (Hair et al., 1998). The results generally indicated a high level of fit for the measurement models, as presented in Table 2.

3.2. The full measurement model

After assessing each construct, the full measurement model was analyzed. The initial full measurement model was constructed including all 47 items as indicator variables and the twelve constructs as latent variables (eight exogenous variables and four endogenous variables). The results of CFA exhibited an acceptable level of fit: $X^2(968) = 1906.4$, $p < .01$. The RMR = .04, RMSEA = .04, CMIN/DF = 1.97, CFI = .90, and TLI = .89. All t-tests of the indicator variables were significant at the .001 level.

We also reassessed the scale reliability after confirmatory analyses following the recommendation by Gerbing & Anderson (1988). The estimated loadings for each
indicator were examined, and composite reliability (CR) and variance extracted measure (VE) were assessed (cf., Fornell & Larcker, 1981; Hair et al., 1998; Klein et al., 1998). The results showed that all factor loadings were significant at p < .01. Most of the CRs and VEs were above the cutoff values of .70 and .50, respectively (Hair et al., 1998). Only the centrality component of materialism had a VE of .44 despite the satisfactory CR of .74. The limitation associated with centrality could be a source of the construct’s measurement errors. This limitation will be taken into account when testing and analyzing the results of the structural model.

### 3.3. Structural equation model

The results of the structural equation analysis indicated that the model achieved a reasonable level of fit: $X^2 (993) = 1987.29$, $p < .01$. The RMR = .05, RMSEA = .04, CMIN/DF = 2.0, CFI = .90, TLI = .89. The $R^2$ for SC was .70, showing evidence that the model provided considerable insights with regard to SC. A total of eleven hypotheses were tested. Eight of the eleven hypothesized paths were statistically significant and in the direction predicted, while three failed to obtain support from the data. With regard to the antecedents of SC, as expected, MSO had a significantly positive effect on SC ($\gamma_1 = .35$; $t$-value = 5.57), and TSO had a significantly negative effect on SC ($\gamma_2 = -.27$; $t$-value = -4.83), lending support for $H_{1a}$ and $H_{1b}$. The results also support $H_{2a}$, $H_{3a}$ and $H_{4a}$; success, the individualistic self and consumer ethnocentrism were significant predictors of SC. However, happiness, centrality and the collectivistic self were found to be insignificantly related to SC and the last two relationships were in the opposite direction to our prediction. Thus, the data did not support $H_{2b}$, $H_{2c}$ and $H_{3b}$.

### TABLE 2. Results of single-construct measurement model

<table>
<thead>
<tr>
<th>Construct</th>
<th>$X^2$</th>
<th>df</th>
<th>$P$</th>
<th>RMR</th>
<th>GFI</th>
<th>AGFI</th>
<th>CFI</th>
<th>TLI</th>
<th>n$^b$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Status orientations (TSO and MSO)</td>
<td>76.8</td>
<td>34</td>
<td>&lt;.01</td>
<td>.03</td>
<td>.97</td>
<td>.96</td>
<td>.98</td>
<td>.97</td>
<td>10</td>
</tr>
<tr>
<td>Materialism (3 components)</td>
<td>119.4</td>
<td>41</td>
<td>&lt;.01</td>
<td>.04</td>
<td>.96</td>
<td>.94</td>
<td>.95</td>
<td>.94</td>
<td>11</td>
</tr>
<tr>
<td>Consumer ethnocentrism</td>
<td>18.5</td>
<td>5</td>
<td>&lt;.01</td>
<td>.02</td>
<td>.99</td>
<td>.96</td>
<td>.98</td>
<td>.97</td>
<td>5</td>
</tr>
<tr>
<td>Self-perception</td>
<td>45.6</td>
<td>13</td>
<td>&lt;.01</td>
<td>.04</td>
<td>.98</td>
<td>.95</td>
<td>.97</td>
<td>.96</td>
<td>7</td>
</tr>
<tr>
<td>Status consumption</td>
<td>9.9</td>
<td>2</td>
<td>&lt;.01</td>
<td>.02</td>
<td>.99</td>
<td>.96</td>
<td>.99</td>
<td>.96</td>
<td>4</td>
</tr>
<tr>
<td>Status product ownership</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>2</td>
</tr>
<tr>
<td>Status consumption</td>
<td>38</td>
<td>5</td>
<td>&lt;.01</td>
<td>.03</td>
<td>.97</td>
<td>.91</td>
<td>.97</td>
<td>.93</td>
<td>5</td>
</tr>
<tr>
<td>Satisfaction</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>3</td>
</tr>
</tbody>
</table>

$^a$ Since there were three indicators for the construct of life satisfaction and two for status product ownership, the measurement model was identified completely and fit statistics were not computed.

$^b$ Number of items in each construct.
The results showed that all the hypothesized paths pertaining to the consequences of SC were positively significant. Specifically, SC was a significant predictor of status product ownership, and status product ownership in turn were found to have a significant positive effect on status consumption satisfaction; and status consumption satisfaction had a positive effect on life satisfaction. Thus, $H_5$, $H_6$, and $H_7$ were supported.

### 3.4. Discussion of the results

Overall, the findings provided empirical evidence for the significant impact of most of the proposed antecedents of SC, and the positive consequences of SC on satisfaction.
with status consumption and satisfaction with life in general. Contrary to our expectation, the collectivistic self showed a positive albeit insignificant effect on SC. A possible reason for this was related to the motivation for SC that could be ‘standing out to fit in’ (the bandwagon effect) or ‘fitting in by standing out’ for consumers holding collectivistic values (Bagozzi, 1998). Thus, it is possible that both the individualistic self and collectivistic self could have a positive impact on SC, but with different motivations and/or strategies (Ahuvia & Wong, 1998; Duboise & Duquesnes, 1993). These results, however, require further investigation.

The results of this study also showed that the centrality component of materialism was not found to be significantly related to SC, and the relationship was in an opposite direction (i.e., negative). The possible reasons for this result include the factors associated with the poor reliability of the ‘centrality’ component as mentioned earlier and the possible impact of social desirability. In addition, the ‘happiness’ component did not show a significant impact on SC although the path was in the predicted direction. Past research has highlighted the complexity of consumption associated with different motives including basic needs, social comparison, the symbolic meaning of things and hedonism (Guillen-Royo, 2008). For consumers who hold a high level of ‘happiness’, the hedonic aspect (e.g., seeking pleasure and excitement) rather than status-seeking may be a more salient motive of their consumption behavior. Together with ‘centrality’, the impact of ‘happiness’ could be an interesting venue for future study.

3.5. Re-specification of the model

We decided to re-estimate the model for parsimony, following the suggestions of Perdue & Summers (1991). We began with removing the insignificant path from ‘centrality’ to SC, and then the path from ‘happiness’ to SC. This procedure resulted in the final model depicted in Figure 2, and the re-specified model provided a good fit to the data

<table>
<thead>
<tr>
<th>Structural path</th>
<th>Standardized Estimate</th>
<th>T value</th>
<th>Hypothesis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Modern status orientation to SC</td>
<td>.36</td>
<td>5.70**</td>
<td>H1a</td>
</tr>
<tr>
<td>Traditional status orientation to SC</td>
<td>-.26</td>
<td>-4.88**</td>
<td>H1b</td>
</tr>
<tr>
<td>Success to SC</td>
<td>.26</td>
<td>4.24**</td>
<td>H2a</td>
</tr>
<tr>
<td>The individualistic self to SC</td>
<td>.28</td>
<td>6.11**</td>
<td>H3a</td>
</tr>
<tr>
<td>The collectivistic self to SC</td>
<td>.10</td>
<td>2.03*</td>
<td>H3b</td>
</tr>
<tr>
<td>Consumer ethnocentrism to SC</td>
<td>-.11</td>
<td>-2.76**</td>
<td>H4</td>
</tr>
<tr>
<td>SC to status product ownership</td>
<td>.90</td>
<td>6.58**</td>
<td>H5</td>
</tr>
<tr>
<td>Status product ownership to status consumption satisfaction</td>
<td>.80</td>
<td>6.44**</td>
<td>H6</td>
</tr>
<tr>
<td>Status consumption satisfaction to life satisfaction</td>
<td>.19</td>
<td>3.62**</td>
<td>H7</td>
</tr>
</tbody>
</table>

** the hypothesis was supported at p <.01; * the hypothesis was supported at p <.05.
With regard to hypothesis testing, the results showed that all the structural paths were significant, including the path from the collectivistic self to SC (p < .05). This suggested the potential role of a bandwagon effect on SC as discussed in the previous section. The findings are summarized in Table 3.

4. Conclusions and implications

This study examines the antecedents and consequences of SC in the TE of Vietnam. Most of the hypotheses proposed received support from the data. A significant level of SC (in terms of attitudes and actual behavior/status product ownership) was found among the urban consumers in Vietnam. The important factors contributing to the prevalence of SC were the accentuated levels of MSO, materialism (i.e., the ‘success’ component), and individualism among these consumers. These findings indicate how the values of urban Vietnamese consumers have evolved along with the growing market-based economy. Modern status symbols are becoming more prominent, while individualistic values are more readily promoted. The results showed quite a high level of individualism among urban Vietnamese consumers despite the collectivist nature of Vietnamese people. Interestingly, this study also suggests the co-existence of TSO and MSO in Vietnamese consumers.

In terms of materialistic tendencies, the results indicated changes in the beliefs of Vietnamese consumers with regard to the importance and acquisition of material possessions. Many Vietnamese consumers believe that material objects could showcase one’s success and achievement, and bring happiness in life. In addition, the results of this study demonstrated a relatively low level of consumer ethnocentrism among urban Vietnamese consumers who prefer foreign brands and products to the local ones. This may reflect the current perception that foreign products are better than many domestic counterparts (in terms of quality and product image). With regard to the effects of status product ownership on consumers’ satisfaction, the results suggest that even though there may be different opinions and judgments about SC, engaging in this consumption behavior can make some consumers satisfied with their status consumption experience, and eventually satisfied with life in general.

In this study, several managerial implications are offered to managers of both international and local firms operating, or intending to operate in Vietnam. The results suggest great business opportunities for firms marketing luxury products. The findings, while suggesting the importance and attractiveness of emerging consumers (i.e., those with higher education and income) in urban areas as target markets for luxury consumption, also provided useful information pertaining to the characteristics of these consumers. These insights will help marketers better understand and target emerging consumers, and develop appropriate marketing strategies.

In this study, Vietnamese consumers showed a relatively low level of consumer ethnocentrism, and they showed a clear preference for purchasing foreign products. These findings reveal challenges for domestic companies that are often associated
with low quality, poor services, and a less attractive image. To meet the needs of more discerning consumers, local companies would need to improve their product quality, branding and marketing communications to add value to the products and to enhance their image in consumers’ perceptions.

For international firms, this study indicates promising opportunities for foreign companies offering luxury products to TE markets like Vietnam since a high level of SC is displayed. Past research in TEs has suggested that foreign products enjoy an advantage over the local counterparts due to their symbolic values (cf., Chan et al., 2009), and status-enhancement is considered a primary motive for consumers in TEs to engage in the purchase of foreign products (Batra et al., 2000; cf. Zhou & Hui, 2003 as well). However, this poses challenges for the companies which sell their products at high prices, because consumers in emerging economies like China and Vietnam are price sensitive. Consumers may revert to buying products provided by local businesses when the image, visibility and quality of these products are considerably improved, especially when Vietnamese consumers generally show a great deal of pride and identification with the country (Lantz et al., 2002).

5. Limitations and suggestions for future research

This research presents some limitations that future studies could address. First, with regard to research methodology, the current study while investigating SC among emerging urban consumers in Vietnam, used the data collected from the two biggest cities, Hanoi and HCMC. A study using a larger and more representative sample including other cities such as Hai Phong (in the North), Da Nang (in the central region), and Can Tho and Vung Tau (in the South) would be useful to further verify the findings pertaining to SC behaviors of urban consumers in Vietnam.

Second, in our conceptual model, we examined the impact of several individual difference variables on SC. The results demonstrated evidence that our model provided considerable insights with regard to SC ($R^2 = .70$). However, some other influencing factors may have been omitted in the current model. For example, the factors associated with the bandwagon effect (e.g., social conformity and the fear of losing competitive advantage) and the possible impact of income disparity could be further explored. Third, considering the widening gap between urban and rural areas in Vietnam nowadays (Nguyen et al., 2003), it would be meaningful for future studies to examine the possible differences in SC behavior between these markets, and to explore the reasons for the differences.

Fourth, future research may also examine whether there is any difference in SC and related issues (e.g., the level of materialism, status orientation, and consumer ethnocentrism) between emerging consumers and the other groups of consumers. Although the group of emerging consumers has been growing fast and plays an increasingly important role, other groups of consumers still account for a large percentage of the population in Vietnam. With regard to SC, it has been suggested that
even the poorest people are subject to pressures to engage in SC (Veblen, 1899; Trigg, 2001). Future research could also examine whether the lower-income consumers engage in SC differently compared with emerging consumers, such as whether they sacrifice “necessities” in order to acquire the “luxuries” (Belk, 2003). In addition, future research would need to be conducted in other TEs for further verification of this study’s results. China would be an interesting research site for fulfilling that objective as it has some similarities to Vietnam in terms of economic development, and the societal and cultural values associated with the past and the present. It would also be interesting to compare consumer behaviors across a selection of TEs, or between TEs and developed economies with regard to SC.

Appendix A. Scales Used in the Main Survey

**Status Orientations** (adopted from Tambyah et al., 2009)

**Traditional Status Orientation**
1. I respect people who devote their lives to the benefit of the country and the people.
2. I respect people who always give the first priority to social benefit.
3. I would try to lead a simple life devoid of material objects.
4. In order to merit the respect of others, a person should lead a clean life regardless of fame and wealth.
5. I respect people who care for others more than for themselves.

**Modern Status Orientation**
1. Striving to become a rich man would be one of the important goals in life.
2. I admire people who have abilities to earn high incomes.
3. I admire people who have a wide relationship network, especially with important people.
4. I would make a considerable effort to obtain luxury products and services.
5. I would try to learn things that will help me earn a higher income.

**Status Consumption** (adopted from Eastman et al., 1999)
1. I would buy a product just because it has status.
2. I am interested in new products with status.
3. I would pay more for a product if it had status.
4. The status of a product is irrelevant to me. (r)
5. A product is more valuable to me if it has some snob appeal.

**Status Product Ownership** (developed for this study)

*List 1:*
1. A new model of mobile phone
2. An article of imported, branded clothing
3. An imported, branded watch
4. Imported famous brand cosmetics or toiletries
5. ‘At home’ service (e.g., house cleaning)
6. Eating out with family/close friends in expensive restaurants on weekends
7. Being a member of a tennis club (or golf)
8. Vacations on weekends

**List 2:**
1. A new model of an imported television set
2. An expensive imported motorbike
3. An air-conditioner
4. A branded notebook computer
5. A personal computer at home
6. A car
7. Travel abroad (tourism)
8. Buying or building a big house

**Materialism** (adopted from Richins & Dawson, 1992)

**Success**
1. I admire people who own expensive homes, cars, and clothes.
2. Some of the most important achievements in life include acquiring material possessions.
3. I don’t place much emphasis on the amount of material objects people own as a sign of success. (r)
4. The things I own say a lot about how well I’m doing in life.
5. I like to own things that impress people.
6. I don’t pay much attention to the material objects other people own. (r)

**Centrality**
1. I usually buy only the things I need. (r)
2. I try to keep my life simple, as far as possessions are concerned. (r)
3. The things I own aren’t all that important to me. (r)
4. I enjoy spending money on things that aren’t practical.
5. Buying things give me a lot of pleasure.
6. I like a lot of luxury in my life.
7. I put less emphasis on material things than most people I know. (r)

**Happiness**
1. I have all the things I really need to enjoy life. (r)
2. My life would be better if I owned certain things I don’t have.
3. I wouldn’t be any happier if I owned nicer things. (r)
4. I would be happier if I could afford to buy more things.
5. It sometimes bothers me quite a bit that I can’t afford to buy all the things I’d like.

**Self-perception** (adopted from Singelis 1994 and Singelis et al., 1995).

**Collectivistic self**
1. It is important for me to maintain harmony within my group.
2. My happiness depends on the happiness of those around me.
3. I will sacrifice my self-interest for the benefit of the group I am in.
4. I often have the feeling that my relationships with others are more important than my own accomplishments.
5. It is important to me to respect decisions made by the group.
6. I will stay in a group if they need me, even when I’m not happy with the group.
7. Even when I strongly disagree with group members, I avoid an argument.

**Individualistic self**
1. I prefer to be direct and forthright when dealing with people I’ve just met.
2. I enjoy being unique and different from others in many respects.
3. My personal identity independent of others, is very important to me.
4. Speaking up in public is not a problem for me.
5. Being able to take care of myself is a primary concern for me.
6. Without competition, it is not possible to have a good society.
7. I enjoy working in situations involving competition with others.

**Consumer Ethnocentrism – CETSCALE** (adopted and modified from Shimp & Sharma, 1987)
1. Only those products that are unavailable in Vietnam should be imported.
2. Vietnamese products, first, last and foremost.
3. Purchasing foreign-made products is un-Vietnamese.
4. It is not right to purchase foreign products.
5. A real Vietnamese should always buy Vietnamese-made products.
6. We should purchase products manufactured in Vietnam instead of letting other countries get rich of us.
7. Vietnamese should not buy foreign products, because this hurts Vietnamese business and cause unemployment.
8. It may cost me in the long run but I prefer to support Vietnamese products.
9. We should buy from foreigner countries only those products that we cannot obtain within our own country.
10. Vietnamese consumers who purchase made in other countries are responsible for putting their fellow Vietnamese out of work.

**Status Consumption Satisfaction** (the two first items were adopted and modified from Fitzsimons et al., 1997; item 3 to item 6 were developed for this specific study).
1. I’m very pleased with the luxury products I purchased.
2. Thinking of ideal examples of the luxury products I purchased, my choices were very closed to the ideal examples.
3. I’m very satisfied with the quality of the luxury products I own.
4. I get better value from the luxury products I own.
5. I’m unhappy with the quality of the luxury products I own (r).
6. I have a good feeling when I use the luxury products I own.

**Life Satisfaction** (expanded from Richins & Dawson, 1992)
1. Generally, I’m satisfied with my life as a whole.
2. Generally, I’m satisfied with my standard of living.
3. In general, I can say I have a good life.
REFERENCES


