

# **Consuming for status among Malaysian working women**

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## **Abstract**

This study measures the influence of money attitude, brand consciousness and social status on status consumption among working women in Klang Valley. A total of 200 working women completed the questionnaires which were collected using mall intercept concept. The focus on luxury brand item was narrowed down to three category which were clothings/scarfs, shoes and handbags. The results revealed that brand consciousness has a significant relationship with status consumption. Women who are consciousness about the brands have a higher tendency to engage in status consumption.

Keywords: Status consumption, social status, brand consciouness, luxury goods and personal apperal

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## **1.Introduction**

Based on the report of recent research from Euromonitor (2015), the luxury goods in Malaysia had a stronger performance in 2015. This was mainly due to the macroeconomics factors, which have improved retail value sales growth. Stronger demand for luxury goods was also stimulated by rising disposable income among Malaysians. Euromonitor (2013) also reports that, increasing number of females joining the workforce in Malaysia also played a vital role in boosting sales of luxury goods due to rising disposable incomes in households amongst them.

The growth of this industry is due to various reasons. Double incomes within a household resulted in higher budget for consumer to spend on luxury goods (Euromonitor, 2013). Categories such as designer apparel, luxury accessories and super premium beauty and personal care benefited the most because of the rising numbers in female workforce (Euromonitor, 2013). The reason why is due to females are more willing to spend on luxury goods either for themselves or for their children. Similarly, Euromonitor (2013) also reports, luxury goods in

Malaysia are dominated by international luxury brand owners. Majority of the consumers in luxury goods, especially females, enjoy the shopping experience by doing window-shopping. Hence, physical luxury goods outlets provide enhanced customer experience such as real-life experience of the products as well as professional advice to facilitate their shopping experience.

Consuming luxury products have always been related to prestige seeking consumer behaviour (Vigneron & Johnson, 1999), which are related to the value of conspicuousness, uniqueness, social status and quality. Consuming for status or commonly known as status consumption has become a common practice among Malaysian consumers. Additionally, status seeking consumers are willing to pay higher prices to convey status and prestige therefore, making them attractive market segment for marketers and organizations to target (Chao & Schor, 1998).

Over the past few years, brand consciousness among the Malaysian society has increased rapidly with more young generation having appetite for luxury goods and brands. Social psychology research documented that women's psychical attractiveness plays an important role in social behaviour (Strokbürger-Saucer & Teichmann, 2011). Generally, women have more positive attitude towards luxury brand as they are more approachable to different kinds of values which luxury brands offer (Strokbürger et al., 2011). Product categories such as fashion including accessories, watches and perfumes benefited the most (Amaldoss & Jain, 2005).

Many young female consumers are buying luxury products precisely to reaffirm their social status (MSL China Executive Whitepaper, 2011). Paying a high premium for quality and brand, buying on impulse and consuming to reaffirm their social status may impact women's financial well-being. According to Segal and Podosen (2012), working women nowadays are playing an important role in the expansion of the economic. This is because they are the target of many retailers and manufacturers. Working women nowadays are paying high attention about their personal apparel, branded cosmetics and accessories and are willing to pay high premium to purchase these products. Many economies have found themselves in precarious situations because of overspending and overconsumption (Segal et al., 2012). Materialism encourages consumers to be conscious of their status and invest a disproportionate amount of their resources into acquiring goods (Moran & Kwak, 2016).

## **2. Women, money and luxury**

More emerging consumers continue to aspire to luxury consumption. A survey conducted by Japanese advertising agency Hakuhodo during August 2013 found that over 50% of young 18-34-year-old female respondents in Ho Chi Minh City Vietnam expressed a preference for luxury brands (Euromonitor Report, 2013). The pursuit of luxury can be a burden. According to a survey conducted in May 2013 by the Korean Chamber of Commerce among those aged over 20 years who had recently purchased luxury goods, almost 30% of respondents were experiencing difficulties paying off their credit card debt with around 25% having considered

buying counterfeit goods or second-hand luxury goods to save money (Euromonitor Report, 2013).

The love for luxury can be seen very prevalent in the Asia Pacific region with reaching the highest rate of growth. Many young working women are addicted to luxury brands. This phenomenon often ruins their lives. In a survey done by the Consumer Research and Resource Centre in Malaysia, from a total of 138 young working women, 65.5% of them spent the most on personal appearances. It was also reported that from the sample of 1002 respondents, 44.3% of young female working women were also classified as in serious debts. Shopaholics and poor management of personal finances best describe a good number of Malaysian consumers. This is normally due to overconsumption and having a high taste towards luxury goods. Poor financial management and overspending describe a good amount Malaysian consumer.

In today's materialistic environment, the role of money has grown to become an end for happiness and well-being. In the consumer behaviour field, money attitude has a significant substance (Prince, 1991). As money has significant role in one's life, it is important to understand the attitude of money among people. Status consumption has been very prevalent among many working women who continue to reaffirm their social status by buying luxury apparel, thus variables like brand consciousness, social status display and money attitude has been examined with status consumption. The focus of the research was on high end personal apparel (handbag, shoes, and clothing).

### **3. Research Objective**

1. To examine the relationship between social status and status consumption.
2. To examine the relationship between brand consciousness and status consumption.
3. To examine the relationship between money attitude and status consumption.

### **4. Methodology**

#### **4.1 Research Instrument and Measurement**

The survey instrument was a five-page questionnaire. Respondents were asked to fill in the information of their luxury personal apparel (handbag, shoes, and clothing) and followed by the rest of the section measuring social status, brand consciousness, money attitude and status consumption and lastly their demographics information. Social status was measured by using the scale developed by O'Cass and Frost (2002) meanwhile brand consciousness was measured by using the famous scale developed by Shim and Ghert (1996). The Yamauchi and Templer (1982) scale was used to measure the money attitude variable but the distrust dimension was removed as it is not suitable for the study, while women emotions dimension was introduced in the scale. The status consumption measurement used the Eastman and Goldsmith (1999) scale.

### **5. Sampling and Data Collection Method**

The study utilized the mall-intercept method. Two shopping malls were chosen namely KLCC and Pavilion with each shopping mall having 100 questionnaires being distributed. Working

women were intercepted especially those exiting from luxury stores focusing on shoes, handbag and cloths. Screening questionnaire was asked if they were working women and have purchased luxury products (handbag, shoes or cloths).

## 6.Results and Conclusion

From the total of 200 respondents 64.4% were Malays, followed by 22.3% Chinese, 10% Indian and 3% were others. Since ethnicity was not a major issue in this research, the proposition of respondents based on different ethnicity was not important. Respondents were also asked about their educational backgrounds, occupation level and monthly income where more than half of the respondents were degree holder and have a monthly income of between RM3000- RM4999. On average, they spent an estimated amount between RM 2000 to RM 5000 per year for buying luxury personal apparel (shoes, handbags and clothes). Table 1 shows the effects of factors towards status consumption

**Table 1: Regression of Factors towards Status Consumption**

Model	Standardized Coefficient		Understandized Coefficient Beta	t	p
	Beta	Std. Error			
Constant		.879	3.192	3.634	.000
Brand Consciousness	.271	.078	.286	3.657	.000
Social Status Display	-.123	.036	-0.67	-1.839	.067
Money Attitude	.533	.014	.122	8.515	.000
F= 51.508		R <sup>2</sup> = 0.441			
Sig-F 0.001					

The regression analysis yielded a multiple correlation (R) of 0.664 which means that there was a moderate relationship between the dependent variable and the set of predictors. The derived multiple coefficient of determination R<sup>2</sup> is 0.441 which means 44% of variations in the dependent variable are explained by the set of predictors. This also means that the accuracy of the variables social status, brand consciousness and money attitude in predicting status consumption is 44%. Table 1 shows the parameter estimates of the regression which represent the regression coefficient or slope of each predictor variables. The t-statistic indicates the significance of the constant and each of the parameter estimates. The regression model has constant of 3.192 and is significant at the level of 0.05 (p=0.00). Parameter estimates for brand consciousness, social status and money attitude is 0.286, -0.67, and 0.122 respectively. The t-statistics provide the significant of each parameter estimates. Money attitude was the most significant explanatory variable in predicting status consumption with the significant level of 0.000. The F-ratio derived (51.508) was large enough to render the analysis of variance yield a significant result at the 0.01 level (p=0.00), implying that the regression model as a whole is

significant and can be accepted to represent the relationship between the dependent and the explanatory variables of the study.

Since brand consciousness has a significant relationship with status consumption, we can conclude that working women who are brand conscious tend to engage themselves in status consumption as status products are always associated with luxury brand. The money attitude variable which mainly measured money as tool of power and prestige. Women emotions indicate that women who view money as power and spend it emotionally has a tendency to engage themselves in status consumption. However, in this study social status had no significant relationship.

## 7. Implication

The results of the study should be beneficial to the broad spectrum of the society, including the academicians, luxury goods marketers, governments bodies such as the Counselling and Credit Management Agency (Agensi Kaunselling Dan Pengurusan Kredit, (AKPK)), debt management agencies, women empowerment agencies and any firms related to personal consumption. Understanding the attributes of status consumption can help practitioners in devising financial plans for their client. By understanding these values, agencies might come up with modules or training specially designed for women on how to manage their finances.

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