

13 Social Hierarchy, Social Status, and Status Consumption

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Introduction

Social hierarchy is a fundamental feature of most existing societies and organizations (Sidanius & Prato, 1999). Common to any hierarchical structure is the adoption of a ranking system, in which every individual occupies a specific position or social status relative to others. Although hierarchical ordering is a multifaceted construct (Weber, 1922/1978¹), it typically stems from one or several attributes (e.g., race, gender, income, education, ancestry, occupation) that become status markers in social groups. This ordering simultaneously transforms every member into a sender and a recipient of status signals and guides individuals' actions vis-à-vis these signals. Because of their profound effects on individuals' thoughts, feelings, behaviors, as well as group dynamics, status and stratification processes have received significant interest in key areas of social sciences such as sociology (e.g., Podolny, 1993, 2005; Ridgeway et al., 2009), psychology (e.g., Fiske, 2010; Kraus et al., 2012a; Magee & Galinsky, 2008), economics (e.g., Frank, 2007), and even health care and epidemiology (e.g., Bobak et al., 1998; Marmot, 2004).

Although status processes deeply permeate both managers' and consumers' actions, research on these issues is relatively scant in consumer psychology and marketing.

To test this intuition, we conducted a systematic search of articles containing status-related words in their title (status, luxury, social hierarchy, socioeconomic status [SES], social class, conspicuous consumption, social rank) in thirty-two leading academic journals in marketing, social psychology, sociology, and marketing during the period between February 2011 and February 2014. Two notable observations merit discussion. First, in terms of the total number of articles, more articles included status-related constructs in their title in management ($N = 78$), social psychology ($N = 74$), and sociology ($N = 104$) than in marketing ($N = 37$; see Table 13.1). Second, among the articles obtained from our search, the use of "status" in the title was the lowest in marketing (43.9 percent) compared to management (94.8 percent), social psychology (67.5 percent), and sociology (68.2 percent; see Figure 13.1). These numbers suggest

1 Among key constructs that have been argued to form social hierarchy are social class and power (Weber, 1946). For a full discussion of power, see Chapter 12 of this handbook.

Table 13.1 *Number of Articles Including One of the Search Terms in Leading Marketing, Sociology, Social Psychology, and Management Journals, February 2011–February 2014*

Discipline Search Term	Marketing	Sociology	Social Psychology	Management
Status	29	71	50	74
Luxury	29	0	0	4
Social hierarchy	0	0	4	0
Socioeconomic status	1	12	6	0
Social class	0	21	8	0
Conspicuous consumption	7	0	2	0
Social rank	0	0	4	0
Total	37	104	74	78

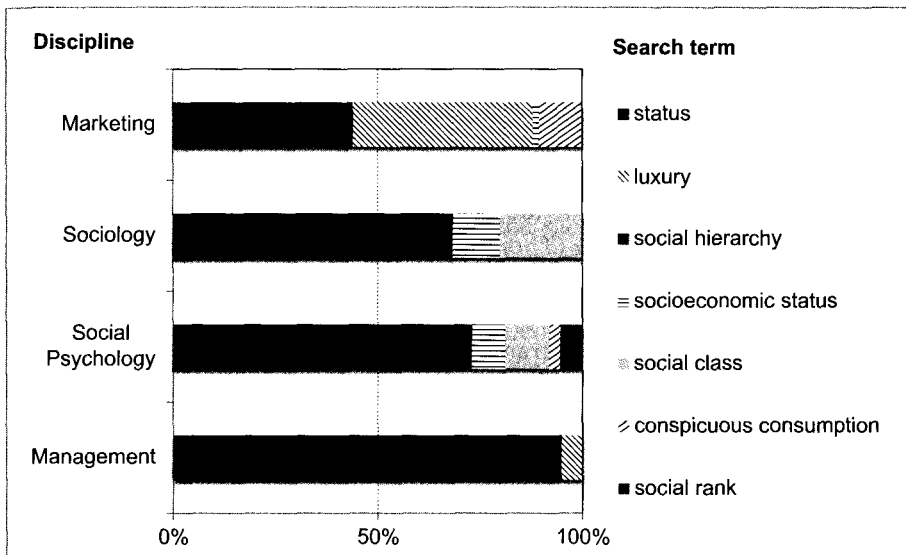


Figure 13.1 *Percentage of Articles Including One of the Search Terms in Leading Marketing, Sociology, Social Psychology and Management Journals, February 2011–February 2014.*

that although social status is a central construct in social sciences, marketing has contributed relatively less to research on status (see Figure 13.1 and Table 13.1).

Fortunately, interest in status in marketing may be growing, with a particular emphasis on how individuals' own status influences consumption of status goods and services (e.g., Dubois, Galinsky, & Rucker, 2012; Han, Nunes, & Drèze, 2010) and how the distribution of status within social groups can shed new light on consumption decisions (e.g., Kuksov & Xie, 2012; Ordabayeva & Chandon, 2011). Although these represent promising initial steps, we believe

the status lens can significantly deepen our understanding of consumption phenomena, particularly given the profound changes taking place in social strata across the world (Piketty, 2014; Wilkinson & Pickett, 2010), and we outline a number of promising research avenues for future marketing research on status and social hierarchy.

We organize our review around three main objectives. First, we familiarize the reader with fundamental conceptual and empirical work on social hierarchy, and we delineate the relationships between social hierarchy and status processes. Second, we provide a review of recent social hierarchy and status research that is most relevant to consumer behavior. Specifically, we synthesize previous efforts to shed light on the forms and functions of status consumption before turning to the psychological, social, and economic antecedents and consequences of status consumption. Finally, we highlight key avenues for future research on social hierarchy and status in consumer behavior.

Basic Principles of Social Hierarchy and Status

Hierarchies are a salient feature of most societies and cultures across historical periods and civilizations. From the Athenians' stratification of society into Eupatrids, Metics, and Slaves (Pomeroy, Burstein, Donlan, & Robert, 2004) to the contemporary divide between upper class, upper middle class, middle class, and lower class (Thompson & Hickey, 2005), from Indian caste systems (Dumont, 1966) to the Tuareg social order (Prasse, 1995), most human societies have been characterized by ranking systems with various degrees of steepness. The prevalence of hierarchy has been argued to stem, in large part, from its superior effectiveness in organizing groups of people (Leavitt, 2005) and in reducing uncertainty that arises from fear of social chaos (Milner, 1994). Next we define social hierarchy and detail the functions of hierarchical structures before delineating their relation to social status.

Defining Social Hierarchy and Status

Defining Social Hierarchy

Social hierarchy typically refers to the ordering of individuals or groups within a population according to material or immaterial dimensions that are accepted as status markers within this population (e.g., Anderson & Brown, 2010; Gruenfeld & Tiedens, 2010; Magee & Galinsky, 2008). While some hierarchical orderings are explicitly communicated (e.g., through visible social codes or clothing styles), others are implicitly communicated (e.g., through subtle signals or behaviors; Berger & Ward, 2010). This distinction is particularly important in consumption contexts in which consumers use both implicit and explicit status signals.

Why Social Hierarchies?

Social scientists have argued that the pervasiveness of hierarchical structures reflects the superior organizational benefits that hierarchies provide to their members in three respects: (1) facilitating collective decision making, (2) motivating members to contribute to group success, and (3) coordinating individual behaviors so that members work *together* toward collective success (Frank, 1985; Gruenfeld & Tiedens, 2010; Leavitt, 2005; Magee & Galinsky, 2008). Together, these benefits reduce the uncertainty and fears associated with social chaos (Milner, 1994).

Decision-Making Benefit

By handing control over the group's resources to a few and giving them the power to determine how to manage these resources, hierarchies minimize conflict over the control of resources and facilitate group decision making (Van Vugt, Kaiser, & Hogan, 2008). These advantages are particularly relevant when the decisions that groups face are complex, provided groups choose competent individuals with superior abilities to take the lead (Van Vugt, 2006).

Motivational Benefit

High ranks are typically associated with desirable attributes such as admiration, autonomy, power, social support, and well-being (Frank, 1985; Keltner, Van Kleef, Kraus, & Chen, 2008; Willer, 2009). Because high ranks are typically attributed to individuals who contribute the most in groups (Hardy & Van Vugt, 2006; Willer, 2009), hierarchical structures activate individuals' status motivation across the strata: individuals higher in the hierarchy who enjoy tangible and intangible benefits are motivated to maintain their status, while individuals lower in the hierarchy aspire to climb the social ladder and improve their ranking (Kim, Park, & Dubois, 2014).

Coordination Benefit

Hierarchies tend to heighten coordination within groups by facilitating communication and reducing conflict (Berger, Zelditch, & Rosenholtz, 1980; Durkheim, 1893/1997; Tiedens, Unzetta, & Young 2007) compared with groups that do not have hierarchies (Greer & Caruso, 2007). For instance, hierarchies improve group functioning by speeding up the flow and integration of information (Scott, 1998). In addition, hierarchical differentiation among individuals helps create perceptions of differentiation in competence and power, which ease the implementation of group decisions (Magee, 2009; Todorov, Mandisodza, Goren, & Hall 2005).

Contingency Theories

Importantly, the extent to which hierarchies yield group benefits is contingent on the nature of the task pursued and on the properties of the hierarchies (for a discussion, see Anderson & Brown, 2010). To illustrate, Pfeffer and Langton's

(1993) study of nearly twenty thousand faculty members in six hundred academic departments found that greater wage differentials within academic departments predicted lower (rather than higher) levels of research productivity (i.e., publications).

Defining Social Status

Social status represents one's rank in a hierarchy and typically reflects the extent to which one is respected or admired by others (e.g., Ridgeway & Walker, 1995). In sociology, status has been argued to represent, along with class and power, a key pillar of social stratification (Weber, 1946; for a discussion of power, see Chapter 12 of this handbook). Social status may be *ascribed* (i.e., predetermined) or *achieved* (i.e., attained through merit). Historically, status was primarily ascribed: it was either acquired by birth (e.g., depending on the cast into which one was born) or by ordainment (e.g., by monarchs). To regulate status differences, societies often adopted strict norms and policies, such as sumptuary laws in medieval Europe that prescribed how individuals of different social ranks should dress (Berry, 1994). From the eighteenth century onward, however, the view that status might be achieved through merit gained momentum as traditional autocratic structures started to give way to egalitarian ideals (De Botton, 2004).

The distinction between *ascribed* and *achieved* status is important because the way consumers think about rank determines their preferences and consumption habits. Indeed, the idea that people may be able to climb the social ladder – that is, that *status can be achieved* – opens the possibility for people to engage in conspicuous consumption (i.e., to trade up) and thereby signal their social progress relative to others (Dubois, Rucker, & Galinsky, 2012; Ordabayeva & Chandon, 2011; Rucker & Galinsky, 2008). In contrast, ascribed status may encourage status signaling aimed at reinforcing one's status (e.g., within their own social class). Echoing the distinction between status attainment and status maintenance, evolutionary psychologists typically distinguish between strategies aimed at increasing an individual's dominance (i.e., by means of fear, intimidation, and force imposed on others) and those that build one's prestige (i.e., by means of sharing expertise and gaining the respect of others; Cheng et al., 2013; Henrich & Gil-White, 2001).

Defining Status Signals

To signal one's social standing effectively to others, status signals need to possess several key characteristics. First, status signals need to be costly or difficult to obtain such that their acquisition serves as a credible signal of one's superior resources or ability (Nelissen & Meijers, 2011). Luxury homes, expensive cars, and exclusive jobs often serve as costly signals because they require exceptional resources or ability (Dubois & Duquesne, 1993; Plourde, 2008). Often, products or people become associated with status through competitive processes (e.g., an exam, high standards). For instance, fashion houses

implement a competitive process to attract and retain models, and in doing so build their prestige (Godart & Mears, 2009).

Second, status signals have in many cases limited practical value. According to the theories of costly signaling (Bliege, Bird, & Smith, 2005; Cronk, 2005; Miller, 2009; Saad, 2007) and conspicuous consumption (Veblen, 1899/1994), status signals are most effective when the owner incurs the expense for no other purpose than displaying rank. As Thorstein Veblen (1899/1994) described in *The Theory of the Leisure Class*, “the utility of [conspicuous leisure and conspicuous consumption] for the purposes of reputability lies in the element of waste that is common to both. In the one case it is a waste of time and effort, in the other it is a waste of goods” (p. 53). For him, the term “waste” is used because such “expenditure does not serve human life or human well-being on the whole” (p. 60).

Third, status signals are typically visible or recognizable by the members of the social group to whom one wishes to signal his or her status. This often results in highly conspicuous status signals (e.g., items with prominent logos of luxury brands). Yet in some cases, inconspicuous items may also signal status to the few who can recognize them (e.g., luxury items with subtle or no brand logos are recognized and appreciated only by experts; Berger & Ward, 2010; Han, Nunez, & Drèze, 2010).

Finally, there needs to be agreement among the members of a hierarchy about the value of a status signal (Berger, Ho, & Joshi, 2011). To illustrate, a consumer carrying a luxury handbag is seen as high-status only if observers also share the view that this luxury handbag grants status. Put simply, status signals act as a carrier of status only when they appear *legitimate* to both senders and recipients and guide their actions accordingly (Podolny, 1993, 2005; Saunder, 2006; Schmid, Mast, & Hall, 2004).

Importantly, status signals may vary across different groups. As a result, although a few traits such as wealth (Godoy et al., 2007) or physical attractiveness (Langlois et al., 2000) are universally recognized as markers of status, status signals typically depend on group norms as well as situational and cultural factors.² For example, large body size was once equated with high status among Western nobility (Diamond, 1997) but lost this association over time, except in a few contemporary cultures (e.g., in the South Pacific; Thompson, Crowin, & Sargent, 1997). Today, depending on group norms and circumstances, status can be derived from factors as diverse as academic achievement, one's skills as a sea turtle hunter, and even the ability to drink a lot of beer.

Common to all status signals is their adoption and abandonment by group members. As soon as one dimension – a characteristic or a resource – becomes increasingly socially valuable (e.g., when it is adopted by desirable individuals or groups), individuals naturally and spontaneously differentiate hierarchically

2 Throughout this chapter, we adopt a broad view of status, whereby the markers of status in a social group can stem from a broad set of characteristics. However, it should be noted that other research streams, including research following Weber's (1946) view on status, may have alternative views of status, in which the markers of status are more narrowly defined.

along that dimension and adopt it as a status signal. One study found that consumers seek status through the consumption of either small or large food portions depending on which portion size is believed to convey status (i.e., served at high-end restaurants; Dubois, Galinsky, & Rucker, 2012). In turn, as soon as a dimension loses its social value (e.g., when undesirable individuals or groups adopt it or when it stops being scarce because everyone has access to it), people no longer seek to differentiate along that dimension, which leads to its eventual abandonment as a status signal (Berger & Heath, 2007; Berger, Ho, & Joshi, 2011; McCracken, 1988).

Consequences of Social Status and Hierarchy

Basic Consequences of Social Status

Recent research demonstrates that having or lacking status can have profound effects on social dynamics by shifting how senders and recipients of status signals think, feel, and behave (Kraus et al., 2012a). This section delineates the important consequences of social status in three domains: how one is attended to and valued by others, how one behaves toward others, and how one self-regulates.

Attention and Value from Others

High-status individuals, compared to low-status individuals, typically enjoy greater attention and respect from others. They command greater influence and compliance (Masling, Greer, & Gilmore, 1955; Nelson & Berry, 1965), attain a greater number of interaction partners (Hardy & Van Vugt, 2006), receive more help and support (Van der Vegt, Oosterhof, & Bunderson, 2006), have more opportunities to develop their skills (Blau, 1955), and receive more praise or credit for their performance and successes (Fan & Gruenfeld, 1998; Podolny, 2005). These advantages and social benefits stem from a perception that high-status individuals are more competent even when they actually lack relevant expertise (Anderson & Kilduff, 2009).

Self-Attention and Self-Value

Status transforms how individuals think about themselves vis-à-vis others, which in turn has important behavioral consequences. A large body of evidence suggests that high status leads individuals to focus more on self (vs. others) and consequently to behave in ways that prioritize their individual well-being, even if such behavior comes at the expense of others. Specifically, upper-class individuals react with less empathy to the suffering of others compared to lower-class individuals, and they allocate more resources to themselves than to others (Piff et al., 2010; Stellar, Manzo, Kraus, & Keltner, 2012). In one study, participants who were induced to experience upper social rank (compared to lower social rank) believed that a smaller percentage of people's annual salary should be spent on charitable donations ($M = 2.95$ vs. 4.65 percent of annual

income for high and low social rank, respectively) and reported trusting others less. However, this effect diminished when participants were primed to feel compassion, suggesting that high status may buffer individuals from being empathetic toward others (Piff et al., 2010).

Self-Regulation and Stress

Status affects individuals' ability to self-regulate, especially in domains where competency is challenged. For instance, low SES students, but not high SES students, consumed more candy after talking about their recent academic success (Johnson, Finkel, & Richeson, 2011). Given the inherently social nature of the process through which status is determined, one possibility is that individuals at the lower end of the strata feel rejected. Feelings of rejection in turn increase one's level of progesterone, which reflects the strength of an individual's motivation for social affiliation (Maner, Eckel, Schmidt, & Miller, 2010).

Basic Consequences of Social Hierarchy

How social hierarchies influence individuals' thoughts, feelings, and behaviors has been the subject of much debate across social sciences. In line with the subject matter of this chapter, here we focus on the consequences of social hierarchies' key characteristics for status competition.

Hierarchy Shape

Two key factors – the steepness of a hierarchy and the level of separation among its members – profoundly affect the extent to which individuals compete for status (Frank, 2007; Hopkins & Kornienko, 2004; Wilkinson & Pickett, 2010). The steepness of a hierarchy represents how densely or sparsely individuals are distributed across different tiers; the level of separation represents how far apart these tiers are from one another. Several studies have suggested that status competition intensifies as the hierarchy becomes steeper and the gap between top tiers and the rest of the hierarchy widens (Bagwell & Bernheim, 1996; Frank, 2007). This is because, as the top tiers of the hierarchy grow more distant, they enjoy a disproportionate share of status benefits, while those in bottom tiers fall behind and try to keep up through status spending (Christen & Morgan, 2005; Frank & Cook, 1995; Ireland, 1994). However, other work suggests that *reducing* gaps across tiers may also increase status spending, especially within lower tiers, because stacking individuals closer together increases the proportion of others who one can surpass by investing in status (Hopkins & Kornienko, 2004; Ordabayeva & Chandon, 2011).

Hierarchy Stability

Stability represents the extent and speed at which positions of high and low status in the hierarchy change over time (Sligte, Nijstad, & de Dreu, 2011; Tajfel, 1984; Tetlock, 1981). Stability of a social hierarchy significantly influences the nature of status competition. Stable hierarchies make it difficult for

any individual or group to influence the pecking order. As a result, stable hierarchies often adopt views, laws, and policies that justify inequality and prevent status mobility. Notably, these laws reflect the view, prevalent during the Middle Ages, that everyone has a “natural” place and function in society, just as each organ in the body serves a unique function (de Botton, 2004, describing John of Salisbury’s *Policraticus*, 1159). In contrast, unstable hierarchies increase high-status individuals’ need to protect their privileged position (Tetlock, 1981) and to signal their status in response to potential threats of losing high status (Faddegon, Scheepers, & Ellemers, 2008). Studies of primate behaviors show that high-status primates placed in unstable hierarchies experience elevated levels of stress and health problems such as atherosclerosis (Sapolsky, 2005). Unstable hierarchies also increase low-status individuals’ motivation to spend energy and resources on attaining and signaling higher status. Indeed, status competition has intensified continuously since societies adopted the principles of egalitarianism and meritocracy in the Age of Enlightenment, and most social hierarchies have grown more volatile and mobile (de Botton, 2004; Han, Nunez, & Drèze, 2010).

Hierarchy Origin

Social hierarchies vary in how they emerge and in how status is assigned to individuals or groups – through random generation (luck) or effort (de Botton, 2004). In turn, this influences what people think about hierarchies as well as their preferred organization. Specifically, randomly generated hierarchies are deemed unjust, and they fuel the desire to restore justice through redistribution of status benefits. As a result, individuals are more likely to favor policies that challenge and even penalize high-status members through measures such as taxation in randomly generated status distributions than in effort-based distributions (Zizzo & Oswald, 2001). Interestingly, beliefs about the origin and fairness of distribution vary by culture and may explain some cross-cultural differences in preferences for policies related to status competition. For example, people in the United States favor the view that one can earn his or her way to the top through effort, while those in France take the view that the most likely way to reach the top is by luck (e.g., birth, marriage, or lottery). This in part explains the greater support for redistribution policies, such as progressive income taxes, observed in France compared to the United States (Frank, Maddux, & Wertenbroch, 2013). Still, research on perceptions of the origins of social hierarchies as well as their influence on status competition is in its infancy.

Status Consumption in the Marketplace

Although marketing scholars have long recognized the influence of status motives on what, why, and how people buy (Levy, 1959), as illustrated at the outset of this chapter and in Figure 13.1 and Table 13.1, the relative amount of research in marketing on how status impacts consumer behavior is

substantially smaller compared to other disciplines. Nonetheless, the presence of research on status consumption in marketing suggests that the time may be ripe for the field to expand this exploration. In this section, we define status consumption and review the findings on forms and functions of status consumption. We then delineate the psychological, social, and economic antecedents, as well as consequences of status consumption.

Forms and Functions of Status Consumption

We define status consumption as the acquisition, display, and/or use of items, behaviors, or attributes (e.g., sound or taste) that are implicitly or explicitly associated with a position in the social hierarchy. Status signals can be associated with low status or high status. For instance, talking in slang may be a signal of low status because the vocabulary is typically associated with low-ranked individuals. In contrast, wearing expensive jewelry may signal high status, and is therefore purchased and exhibited as such.

Forms of Status Consumption

Status consumption can take various forms. Consistent with the notion that status signals must often meet one or several criteria outlined previously (i.e., expensiveness, exclusivity, visibility, limited practicality, and identical interpretation by observers) in order to be deemed valuable, marketing researchers' investigation of status signals has focused on the specific product categories, items, and behaviors that are most associated with these characteristics. In the following subsections, we outline the main forms of status consumption that received attention in the literature.

Product Categories and Brands

A primary means of status consumption is the purchase and display of luxury products. Existing studies have particularly focused on categories such as cars (Griskevicius et al., 2007; Piff et al., 2011), homes (Solnick & Hemenway, 1998), luxury apparel (Ordabayeva & Chandon, 2011), accessories (Han, Nunes, & Drèze, 2010; Wilcox, Kim, & Sen, 2009), visible personal care items (Hill et al., 2012), electronics, and home decoration (Griskevicius, Tybur, & Van den Bergh, 2010). The consumption of high-end products and brands in these categories (e.g., those affiliated with top fashion houses and designers) is construed as a manifestation of status seeking, while the consumption of mass-produced brands (e.g., those often marketed at chain stores) is construed as a sign of little interest in status.

Product Attributes

In addition to product categories and brands, certain product attributes are naturally associated with status and can contribute to signaling high status alone or in combination.

Price

Premium price is typically associated with high status, while regular or low price is typically associated with low status. Indeed, an item's expensiveness credibly signals the buyer's ability to spend large amounts of resources. As such, the inclusion of price information in studies is often used to establish the status value of products (Griskevicius, Tybur, & Van den Bergh, 2010).

Size

Large size is typically associated with high status. For instance, in many species, dominant and high-status individuals are also larger in size (Sapolsky, 2005). In consumer settings, large size symbolizes status in many product categories, including homes, cars, and even food. For instance, Solnick and Hemenway (1998) showed that it is not just having a large home but having a larger home than one's neighbors that signals high status. However, recent evidence suggests that associations between size and status can be contextually constructed. Dubois, Galinsky, and Rucker (2011) found that low-status individuals typically choose larger snacks, as these are associated with greater status, resulting in greater calorie intake. In contrast, when the size-to-status relationship is negative (i.e., when smaller sizes are explicitly associated with high status), low-status consumers turn to small portion sizes to seek status, suggesting that cultural or contextual norms may change how people interpret size to infer high or low status.

In some contexts, large size may naturally signal low status. For instance, Han, Nunez, and Drèze (2010) coded the size of brand logos displayed on handbags of famous luxury brands (Chanel, Louis Vuitton, Gucci) and correlated logo size with product price. The results showed that, on average, an increase in logo size of one point on a seven-point (subjective) scale translated to a \$122.26 price decrease for Gucci handbags and a \$26.27 price decrease for Louis Vuitton handbags. Additional studies revealed that while low-status individuals choose and display products with large brand logos, high-status individuals recognize and prefer products with small or even no brand logos (Berger & Ward, 2010).

Group Membership

Consumers can derive status from their membership in communities and groups such as companies' loyalty programs. Significant investment in products allows individuals to climb the hierarchy and to enjoy the prestige and benefits that come with being a loyal customer, one of the benefits being the public display of preferential treatment relative to other (less loyal) consumers. Consumers prefer to attain and display their loyalty even if it does not yield any tangible benefits and instead yields tangible costs. For example, Ivanic and Nunes (2009) found that elite members of an airline's frequent flyer program preferred to stand in the elite line to board an airplane even when it was significantly longer and more time consuming than the regular line.

Disconformity

Individuals can signal status by displaying nonconforming consumption behaviors. For example, Belleza, Gino, and Keinan (2014) found that observers may ascribe high status to individuals who wear nonconforming clothes or engage in nonconforming behaviors (e.g., when an instructor wears red sneakers to teach a class at an elite institution). However, this happens only when individuals who display disconformity are considered to be part of an in-group. To illustrate, in one study conducted in Milan, the researchers found that shop assistants at luxury boutiques (members of an in-group) thought a potential client entering the store in gym clothes was more likely to be a VIP or a celebrity compared to someone wearing a suit. This is because shop assistants assumed nonconforming behavior signaled a consumer's autonomy and consequently greater status and competence. However, out-group members (i.e., regular pedestrians) did not share this assumption of status.

Roles of Status Consumption

Status consumption has a number of important roles. It enables individuals to associate with desirable groups, dissociate from undesirable groups, compensate for various psychological threats, and reduce the uncertainty in social and economic interactions. We briefly define each of these roles and elaborate on these in more detail in the subsections that follow.

Associative Role

Status consumption has been suggested to serve a bonding function (Aspers & Godart, 2013). That is, by imitating the status consumption behaviors of (desirable) individuals, the psychological tensions among individuals may decrease and individuals may be accepted as part of a social group or a community (Simmel, 1904/1957). Status consumption can thus facilitate the construction of social groups and inhibit the tensions within them.

Dissociative Role

Status consumption also has a dissociative role, as it helps individuals to signal how they are different from other (undesirable) groups in the social hierarchy (Bourdieu, 1984). For instance, Han, Nunes, and Drèze (2010) suggest that parvenus (defined as individuals with both high wealth and high need for status) use conspicuous products (with large logos) to dissociate themselves from individuals who have less wealth. Berger and Heath (2008) found that individuals try to dissociate from low-status groups (e.g., geeks) by abandoning the products that those groups consume.

Compensatory Role

A growing body of research suggests that status consumption helps individuals alleviate aversive psychological states such as the experience of low esteem or low power. For instance, Rucker and Galinsky (2008) found that consumers

whose sense of power had been threatened were willing to pay more money for status-enhancing items relative to nonthreatened individuals. Exposure to threatening cues (related to economic recession and scarcity) boosts compensation through status consumption, and this tendency is more pronounced among certain individuals (e.g., those who grew up in unstable homes with low income; Griskevicius, Delton, Tybur, & Robertson, 2011).

Uncertainty Reduction

Finally, status signals reduce the uncertainty associated with a transaction or an interaction (e.g., Bothner, Podolny, & Smith, 2011). That is, status signals (e.g., a high price or an exclusive certification) grant additional informational value to a product or a service. This is particularly relevant in domains (such as wine or banking) where a high price or a prestigious award can partly compensate for consumers' inexperience in the domain and thereby encourage a preference for certain brands over others. For example, a customer might decide to contract a loan with a prestigious bank rather than a local bank due to the former's public image, even if the rates offered are similar (Podolny, 2005).

Antecedents of Status Consumption

Psychological Factors

Existing research on status consumption has mostly focused on how threats to one's self-concept or important goals (e.g., mating goal) affect status consumption. Self-threats can occur in a variety of domains (e.g., academic or economic performance) when one's position or performance is inferior to others, or when one is reminded of the difficulty to achieve a goal. When faced with threats, individuals experience psychological discomfort and use status consumption as a means to compensate (for reviews, see Lee & Shrum, 2013; Rucker & Galinsky, 2013). Underlying this tendency is the assumption that consuming status items can "buy" resources either to restore one's self-image or to replenish one's resources (e.g., to get access to reproductive opportunities). In the following subsections, we outline the role of specific self-threats.

Power Threat

A key driver of status consumption is a threat to one's sense of power (or asymmetric control over resources in social relationships; Rucker, Dubois, & Galinsky, 2011; Rucker, Galinsky, & Dubois, 2012). In a series of studies, Rucker and Galinsky (2008, 2009) showed that acquiring status-related items serves as a means to compensate for a lost sense of power. The authors manipulated participants' sense of power in a variety of ways (e.g., by instructing participants to recall a time they had power or lacked power, by assigning them to the role of a subordinate or a boss) and found that low-power individuals were willing to pay more for high-status products (e.g., a silk tie, a fur coat). However, no differences were observed for products that had no association

with status (e.g., a washing machine, a ballpoint pen) compared to the baseline and the high-power conditions. Similarly, research found that certain ethnic minorities (e.g., Blacks and Hispanics) who occupy a lower position in the social hierarchy relative to the white majority often spend a greater percentage of their budget on conspicuous, visible items such as clothing, jewelry, and cars (Charles, Hurst, & Roussanov, 2009; Fontes & Fan, 2006; Ivanic, Overbeck, & Nunes, 2011). This occurs even after controlling for income disparities across populations and seems to be particularly pronounced when race is explicitly activated (i.e., when individuals are induced to think of negative race stereotypes; Ivanic, Overbeck, & Nunes, 2011).

Existential Threat

Exposing individuals to existential threats by reminding them of their mortality creates an aversive psychological state that leads them to reaffirm their cultural worldview, belief in their worth, and contribution to their culture (for a review, see Pyszczynski, Greenberg, & Solomon, 1999). One key response to such threats is status consumption (Arndt, Solomon, Kasser, & Sheldon, 2004; Burroughs et al., 2013; Mandel & Heine, 1999) because this signals that an individual is someone of value and worth to society as a whole. Consistent with this idea, Mandel and Heine (1999) found that making participants' mortality salient made them more receptive to status-enhancing products (e.g., a Rolex watch) but not to status-neutral products (e.g., Pringles potato chips).

Mating Threat

Status consumption may emerge in response to individuals' mating motives (for a review, see Chapter 5 in this handbook). For example, studies have demonstrated that activating mating goals among men increases their desire for luxury products – consistent with the notion that high-status products may facilitate reproductive opportunities (e.g., Hill et al., 2012; Griskevicius et al., 2007). Importantly, recent studies indicate that status signaling is particularly strong when individuals' mating prospects are threatened. For example, women engage in greater status consumption when their mating prospects are threatened by external economic conditions (Hill et al., 2012) or by the presence of other women (Wang & Griskevicius, 2014). Similarly, men turn to status consumption when their mating opportunities are endangered by the presence of many (vs. few) male competitors (Griskevicius et al., 2012).

Other Threats

A number of studies have documented that status consumption may also emerge as a result of various personal threats. Specifically, threats that individuals experience when growing up, such as parents' divorce (Rindfleisch, Burroughs, & Denton, 1997) or limited financial resources (Griskevicius et al., 2011), can enhance individuals' status-seeking behaviors. Furthermore, chronic as well as experimentally induced threats to one's sense of self-worth and social connections can trigger similar effects (Burroughs & Rindfleisch, 2012;

Chang & Arkin, 2002; Rindfleish, Burroughs, & Wong, 2009). For instance, Lee and Shrum (2012) showed that social exclusion may lead to greater status consumption but only when exclusion stems from being ignored (rather than rejected). This is because being ignored poses a threat to one's efficacy needs, which in turn motivates people to restore efficacy through status consumption (e.g., the acquisition of products with prominent brand logos). On the other hand, being rejected poses a threat to one's relational needs, which motivates people to restore social connections through pro-social acts.

Social Factors

Given the social nature of status competition, a key set of drivers of status consumption stem from social factors – those related to the characteristics of social groups and the nature of individuals' interactions with their social environment.

Presence of Others

The presence of others is a key precursor to status consumption because such consumption can signal one's relative rank only if others can observe it and agree on its meaning. To validate this assumption, a number of studies manipulated the private or public nature of the consumption environment in a hypothetical or a real setting and found that status consumption was more likely to occur in public, as opposed to private, settings (Berger & Heath, 2008; Dubois, Galinsky, & Rucker, 2012; Griskevicius, Tybur, & Van den Bergh, 2010). For example, Dubois, Galinsky, and Rucker (2012) assessed participants' preference for status products in three contexts with varying social presence (i.e., at home alone [private condition]; by oneself in public at a restaurant [public condition]; or at home with friends [social condition]), and found that the more social the consumption context, the more consumers preferred status products.

Relevance of Others

The identity of observers is another key determinant of status consumption. Specifically, consistent with social comparison theory (Festinger, 1954), status consumption is the highest in the presence of observers who are relevant to one's social identity. This means that individuals are more competitive in the presence of similar others. For example, in a series of studies conducted by Mandel, Petrova, and Cialdini (2006), undergraduate students compared themselves to students enrolled in either the same major or a different major. The results showed that preferences for status-enhancing luxury products were the strongest in the presence of others with the same (vs. different) major.

Furthermore, individuals engage in status consumption only when observers have a desirable identity (i.e., those whom one wishes to impress or with whom one wishes to affiliate). In a romantic context, this means that individuals will signal status in the presence of potential mates (Griskevicius et al., 2007). In a more general consumption context, status signals are adopted only when

desirable groups (e.g., the “cool” kids on campus or members of an upper class) start using them (Berger & Heath, 2008; Han, Nunes, & Drèze, 2010), and they are abandoned when undesirable groups (e.g., the geeks on campus or members of a lower class) follow suit (Berger & Heath, 2008; Berger, Ho, & Joshi, 2011).

Finally, individuals are more likely to engage in status consumption when they are in a competitive social environment. To demonstrate this, Ordabayeva and Chandon (2011) asked participants to imagine that they were going to dinner with rival co-workers or childhood friends; they found that preferences for status-enhancing restaurants were the strongest when participants thought of rivals (vs. friends).

Number of others

The number of competitors affects the intensity of status competition and the amount of satisfaction that individuals derive from outcompeting others. Griskevicius and colleagues (2012) observed that a high proportion of men relative to women in various contexts increased status consumption (of categories such as jewelry and dining out). In a different set of experiments, Drèze and Nunes (2009) varied the number of status tiers in a consumption hierarchy (e.g., a frequent flyer program) and the number of people present in each tier. They found that those at the top of the hierarchy felt the most special when the number of tiers in the hierarchy as well as the number of people in the tier immediately below them was maximized. Finally, the number of observers influences how quickly status signals are adopted or abandoned. It seems that individuals are more likely to abandon status or identity signals when these are adopted by a large rather than a small number of individuals (Berger & Heath, 2007, 2008). This effect does not occur in product categories with little status value.

Economic Factors

The final set of drivers of status competition pertains to the characteristics of the economic environment. Specifically, a growing body of evidence underlines the importance of individuals' economic resources, economic expectations, and the degree of economic inequality.

Economic Resources

Inspired by Veblen, Duesenberry (1949) initiated a discussion about the economic precursors of status consumption (which he called “demonstration effects”). He argued that status consumption should increase with one's percentile or rank in the social hierarchy due to the greater economic resources available to those at the top compared to those at the bottom. More recently, researchers have qualified this prediction by demonstrating that status consumption can occur at all tiers in the hierarchy (Bloch, Rao, & Desai 2004; Moav & Neeman, 2008). In fact, individuals with scarce resources tend to allocate a greater percentage of their budget to status consumption than those with abundant resources (Bagwell & Bernheim, 1996; Dynan, Skinner, &

Zeldes, 2004). Researchers have argued that economically deprived individuals and households invest in status consumption because they do not want to fall behind others and lose face. Examples of such behavior are prevalent in many contexts. In the United States, members of certain ethnic minorities that have historically had limited access to economic resources are willing to pay more for status-enhancing products (Charles, Hurst, & Roussanov, 2009; Ivanic, Overbeck, & Nunes, 2011). Interestingly, merely remembering one's past deprivation (Griskevicius et al., 2011) or temporarily manipulating financial deprivation in an experimental setting (Ordabayeva & Chandon, 2011; Sharma & Alter, 2012) produced similar consequences.

Economic Expectations

The availability of resources at the societal level influences status consumption by shaping consumers' expectations of their economic well-being. Researchers have noted that as Western economies grew more prosperous over the past several decades, individuals have raised their level of aspiration and standards of living through the acquisition of status possessions (Kamakura & Du, 2012; Scitovsky, 1992). For example, Kamakura and Du (2012) reported that in the period spanning 1982 to 2003, spending on status-enhancing (positional) purchases such as apparel, jewelry and watches consistently grew during periods of economic expansion but shrunk during recessions. Recent findings suggest that economic downturns can also activate a need to engage in status consumption in certain product categories or populations. For instance, when Hill and colleagues (2012) measured women's interest in status-enhancing products and status-neutral products during recessionary periods or in the presence of recessionary (vs. neutral) cues in the lab, they found that women were more interested in conspicuous products in recessionary environments, because such products could potentially help them procure a better mate (at a time when high-status mates are scarce).

Economic Inequality

A final economic factor that shapes status competition is the distribution of economic resources in society. Analyses of secondary data and analytical models have found a positive link between status consumption and inequality of wealth or income in Western societies (e.g., Alpizar, Carlsson, & Johansson-Stenman, 2005; Clark & Oswald, 1998; Knell, 1999). To explain this link, researchers have argued that, as gaps across different tiers in the hierarchy become wider and high-status individuals pull away from the rest of the population, individuals at the low end of the hierarchy fall behind and use status consumption as a way to "keep up with the Joneses" (Christen & Morgan, 2005; Dupor & Liu, 2003; Frank, 1985). Recent studies, however, suggest that the role of inequality may be more nuanced. In a series of experiments, Ordabayeva and Chandon (2011) found that reducing inequality may increase, rather than decrease, status consumption among bottom-tier consumers, because by stacking people closer together, boosting equality increases

the number of people that one can surpass through spending. Similarly, Hopkins and Kornienko (2004) used an analytical model to suggest that boosting equality might reduce the proportion of people stacked in the bottom tier and thereby leave bottom-tier consumers even further behind.

Consequences of Status Consumption

A large body of research testifies that having status deeply permeates consumer behavior. Earlier sections of this chapter outlined the broad consequences of having high or low social status. In this section, we focus on the specific implications of status *consumption* for consumers' feelings, behaviors, social interactions, and economic outcomes. Individuals engage in status consumption in pursuit of a host of tangible and intangible benefits (Huberman, Loch, & Onculer, 2004; Ivanic & Nunes, 2009). Status consumption therefore has important psychological, social, and economic consequences for individuals and groups, as well as society at large.

Psychological Consequences

Having status can have important psychological consequences for how individuals feel and behave.

Consumer Empowerment

Merely wearing status signals can provide a means of empowerment. Indeed, if they offer a way to climb the social ladder, people might wear status signals to transform how they feel and behave. Supporting this proposition, Dubois and Anik (2014) had women wear high heels or normal clothes and varied whether participants were in the presence of a female confederate, a male confederate, or no one. The results revealed that women wearing high heels exhibited greater action orientation, demonstrated greater abstraction, and took more risks (three measures associated with high power; Huang, Galinsky, Gruenfeld, & Guillory, 2011) compared to those wearing flat shoes. However, this happened only in the presence of another person, pointing to the social nature of social status.

Ethical Behavior

Recent research suggests that having status – as reflected in individuals' social class or possessions of status-enhancing items such as cars – can make people greedier and, as a result, boost their unethical behavior (Piff et al., 2011). The researchers assigned participants to high- and low-power roles or measured their status and repeatedly found that high-status individuals engaged more in cheating or lying behaviors than low-status individuals. Low status can also increase unethical behavior, especially when people feel devalued. For instance, Fast, Havely and Galinsky (2011) showed that people lacking status were more demeaning toward others because they felt disrespected and unappreciated, and

they engaged in aggressive compensatory behaviors aimed at boosting self-worth (Bushman & Baumeister, 1998; Henry, 2009).

Psychological and Physical Well-being

A large literature suggests that social status can have profound consequences for physiology and illness (for a review, see Marmot, 2004; Rivers & Josephs, 2010). For instance, Marmot and colleagues (1991) conducted a longitudinal study examining civil servants in the UK and found that their rank in the hierarchy significantly and negatively predicted their life expectancy, after controlling for variables such as predisposition, income, and education. One of the key drivers of the effect of status on health lies in the status-induced changes in levels of testosterone and cortisol, two hormones that shape physiology and behavior by regulating bodily functions. Both correlational (Lincoln, Guinness, & Short, 1972; Nelson, Pine, Leibenluft, & McClure, 2005) as well as experimental (Boksem et al., 2004; Christiansen, 1998) studies of male and female human and nonhuman participants found that high levels of testosterone are positively related to behaviors intended to achieve, maintain, or enhance status in the social hierarchy.

Social Consequences

Status consumption has important implications for consumers' social interactions and social well-being.

Social Interactions

Research suggests that status consumption changes the mindset that individuals adopt in their interactions with others. Ample evidence has shown that attaining or priming high (vs. low) status leads individuals to focus more on self (vs. others) in social interactions. Specifically, attaining high status can lead people to maximize their self-interest, even if it comes at the expense of others (Piff et al., 2011). For example, Piff and colleagues (2011) reported that drivers of high-status vehicles were more likely to cut off other drivers and pedestrians on the road than the drivers of low-status vehicles. In a different study, Chua and Zou (2009) exposed people to high-status or low-status products and found that exposure to high-status (vs. low-status) products led to a greater likelihood that individuals endorsed profit-maximizing business actions that could hurt the welfare of others (e.g., selling a new car that pollutes the environment).

Social Perceptions

Status consumption significantly shapes perceptions of individuals by others. Overall, people have a general tendency to ascribe extrinsic and self-interested motives to individuals who engage in high-status consumption compared to those who engage in status-neutral or experiential consumption. For example, Van Boven, Campbell, and Gilovich (2010) asked people to evaluate hypothetical individuals who engaged in status-seeking consumption (e.g., spending

money on jewelry and apparel) or experiential consumption (e.g., spending on skiing and dining). The results showed that participants ascribed extrinsic motives and unfavorable traits (e.g., insecurity, selfishness) to status-seeking consumers, but intrinsic motives and favorable traits (e.g., open-mindedness, friendliness, intelligence) to experiential consumers. These conclusions were further supported by a recent study (Ferraro, Kirmani, & Matherly, 2013), in which participants first viewed the videos or pictures of a conspicuous or an inconspicuous stimulus (brand or consumer) and then indicated their attitudes toward the stimulus. Evaluations of the stimulus were less favorable in the conspicuous than in the inconspicuous condition.

Other findings, however, suggest that status consumption may also sometimes yield positive social perceptions, depending on context (e.g., Nelissen & Meijers, 2011). Specifically, the display of status consumption may be evaluated more positively in social interactions guided by exchange norms (e.g., when a service provider offers a good value for money and fosters a fair exchange with clients) compared to those guided by communal norms (e.g., when a service provider takes a personal interest in clients and fosters a harmonious working relationship with clients; Scott, Mende, & Bolton, 2013). This is because in exchange relationships, status consumption signals an individual's competence, while in communal relationships it signals an individual's lack of warmth.

Social Cohesion

Status disparity and consumption may influence social cohesion. Recent evidence has revealed that great disparity between the highest and the lowest levels of status in a given population can contribute to lower social cohesion, greater violence, and weaker trust among individuals (Wilkinson & Pickett, 2010). Some have even argued that low cohesion resulting from status disparity may contribute to ill health due to the association of low social status with such factors as weak social support and childhood attachment.

However, new studies suggest that status consumption can promote social connection when the benefits of high status extend to the members of the social group – a phenomenon referred to as the “entourage effect” (McFerran & Argo, 2013). In a series of experiments, researchers granted preferential treatment to randomly selected individuals at a real event (e.g., watching a sports game from a stadium's luxury box) or in a hypothetical scenario (e.g., imagining obtaining exclusive tickets to dinner with an admired political figure). Preferential treatment boosted participants' feeling of exclusivity and status more when they were allowed to bring along the members of their social group, and this happened due to the greater feeling of connection that participants felt with their group in the course of the exclusive experience.

Economic Consequences

Since the procurement of favorable economic outcomes is one of the prime rationales for status attainment and maintenance, it is not surprising that status

consumption can also have important economic consequences for individuals, firms, and society at large.

Individual Outcomes

At the individual level, the consumption and display of status-enhancing products may lead to positive economic outcomes such as higher financial compensation, greater compliance, and favorable outcomes in negotiations. To illustrate, in several studies (Nelissen & Meijers, 2011), a confederate who wore a T-shirt either with a status-enhancing logo (Lacoste) or a status-neutral logo (Slazenger) approached participants with a series of requests (e.g., to fill in a survey, to make a hiring decision, to donate money to a charitable cause). The results revealed a higher agreement rate to fill in the survey (52.2 percent vs. 13.6 percent), higher financial compensation for a potential hire (€ 9.14 vs. € 8.36 per hour), and higher donation amounts (55 percent higher) when the confederate displayed a status-enhancing (vs. a status-neutral) logo. In a different experiment involving a market exchange, high-status sellers were able to set higher prices, and high-status buyers were able to obtain lower prices for a product than their low-status counterparts (Ball, Eckel, Grossman, & Zame, 2001). This happened regardless of whether status was publicly earned as a result of effort or assigned in a random draw.

Company Outcomes

Consumers' status motives can have significant implications for companies' economic outcomes. Since the ability to pay a premium for products is one of the ways in which consumers signal their status, the demand for status-enhancing products tends to increase with price (Amaldoss & Jain, 2005; Chao & Shor, 1998). This phenomenon (referred to as the "Veblen effect") allows companies to make significant margins from status-enhancing products, but only in the presence of both desirable opinion leaders (referred to as "snobs") who adopt these products and followers who are willing to imitate them in the marketplace (Amaldoss & Jain, 2005; Leibenstein, 1950). Notably, status can improve creativity inside companies, as high-status firms benefit from consumers' greater tolerance of their mistakes (Godart, Shipilov, & Claes, 2014).

It is important, however, for companies to track the balance of opinion leaders against followers who adopt their products, because excessive prevalence of high-status products among low-status individuals may have serious economic implications. On the one hand, it may dilute brand associations and brands' signaling value, which may lead to their abandonment by opinion leaders (Berger & Heath, 2008). On the other hand, the adoption of status-enhancing products by low-status individuals may make other consumers feel they have fallen behind and thereby increase public interest in these products (Shalev & Morwitz, 2012). Similarly, producers of status-enhancing products should carefully manage their portfolio of products since the presence of entry-level low-investment items (e.g., keychains, wallets) may change individuals' willingness to purchase high-ticket items (e.g., handbags; Patrick & Prokopec,

2012). Whereas the presence of entry-level status items enhances loyal customers' willingness to invest in the high-ticket items of the same brand, it deters occasional buyers from investing in high-ticket items since entry-level items satisfy these consumers' need for status.

Societal Outcomes

Status consumption has several important positive as well as negative consequences for economic outcomes at the societal level, both positive and negative. On the one hand, increases in status consumption are correlated with negative economic outcomes such as rising household debt, bankruptcy, and dissaving observed in Western societies (Christen & Morgan, 2005; Frank, 1985; Zhu, 2012). For example, Christen and Morgan (2005) have reported that the rise in household debt over the past several decades has been propelled significantly by the rise in nonrevolving debt (installment loans), which is often used to finance the purchase of status-enhancing products such as consumer durables.

On the other hand, status consumption can yield positive economic outcomes. For example, activating status concerns may promote sustainable consumption. In a series of experiments, Griskevicius, Tybur, and Van den Bergh (2010) showed that activating a status-seeking mindset by asking participants to imagine starting a new high-status job could boost subsequent preferences for sustainable products. This suggests that sustainable consumption may also serve as a status signal, and hence shifting the focus of status competition to sustainable consumption may promote sustainability and long-term economic well-being. Similarly, encouraging status competition by highlighting upward social comparisons in the domain of saving can boost collective levels of saving (Stilley, Winterich, & Nenkov, 2011).

Directions for Future Research on Status Consumption

We hope that the research on status reviewed in this chapter will spark the interest of young and seasoned scholars alike. This last section aims to identify key research questions that will further deepen our understanding of the role of status in marketing. In particular, we stress several avenues that future research can pursue in order to further examine the role of status at the micro level (how status affects consumer psychology) and at the macro level (how companies can manage status).

Psychology of Status

Identifying Forms of Status Consumption

Although studies often converge on their definition of status signals and consumption, many questions related to the very nature of status remain

unanswered. It is clear that status is a multifaceted construct, and that status signals span a diverse set of behaviors (e.g., nonconforming behavior; Belleza, Gino, & Keinan, 2014), events (e.g., weddings, funerals; Banerjee & Duflo, 2007; Economist, 2007), activities and ideas (Veblen, 1899/1994). Yet the bulk of existing research has focused on a limited set of attributes and connotations of status consumption while overlooking how and why status signals vary across contexts and over time (but see Dubois, Czellar, & Laurent, 2005, for a cross-cultural study of attitudes toward luxury). For instance, luxury items can be purchased for utilitarian qualities (e.g., durability vs. status), enjoyed in private (vs. in public; Rucker & Galinsky, 2009), and in certain contexts they may signal low (vs. high) status (Griskevicius, Tybur, & Van den Bergh, 2010). We encourage future work to broaden the interpretations and operationalizations of status consumption used in the literature. Similarly, little is known about how individuals attribute status to specific items or behaviors. We believe it is important for future research to continue uncovering the different forms of status consumption and to identify mechanisms that lead to the legitimation and the delegitimation of various forms of status consumption.

Although several key defining dimensions of status signals have been identified (expensiveness, scarcity, visibility, limited practicality, and identical interpretation), little is known about how and why these dimensions might be differentially appealing to distinct audiences. Recent research suggests that various socioeconomic or cultural factors may affect the relative importance of each of these variables. For instance, one might predict that scarcity is a particularly effective signal of status for an audience of the financially deprived (Sharma & Alter, 2012). Studies also suggest that when one's power is threatened, the conspicuousness of items is positively associated with status (Dubois, Galinsky, & Rucker, 2012; Mazzocco, Galinsky, Rucker, & Anderson, 2012). Research has also suggested two distinct routes through which status can be attained or maintained: dominance and prestige (Cheng et al., 2013; Henrich & Gil-White, 2001). Yet little is known about when dominance versus prestige might be more effective at conveying status and why. We propose that future research efforts should be launched to disentangle the different status dimensions and to better understand how products acquire status associations in different populations and situations.

Roles of Status Consumption

As reviewed earlier in this chapter, one of the prime roles of status consumption is signaling status vis-à-vis others (desirable and undesirable social groups). Yet recent findings suggest that signaling is not only a social phenomenon; individuals may engage in certain behaviors to signal their favorable identity *to themselves* (Bodner & Prelec, 2003; Prelec & Bodner, 2003). For example, Dhar and Wertenbroch (2012) found that consumers derive greater utility from being able to signal to themselves their ability to withstand temptation by choosing a healthy food item from a mixed set (containing healthy and unhealthy options)

compared to a homogeneous set (containing only healthy options). This raises an interesting question of whether consumers use certain strategies (behaviors or products) to elevate their status in their own (rather than others') eyes. It would be interesting for future research to explore whether, why, and when self status-signaling occurs and how it is different from social status-signaling.

Antecedents and Consequences of Status Consumption

Previous sections of this chapter have identified various antecedents of status consumption. While a considerable amount of effort has been directed at understanding the psychological, economic, and social drivers of status consumption, little is known about its cultural determinants. According to Hofstede's (1980) framework, cultures can be classified with respect to four basic dimensions: individualism or collectivism (the degree to which a culture reinforces individual or collective achievement and interpersonal relationships), power distance (the degree to which the social hierarchy and inequality are accepted in society), uncertainty avoidance (the level of acceptance of uncertainty and ambiguity in society), and masculinity (the degree of gender differentiation and reinforcement of gender roles in society). Among these dimensions, power distance is the most relevant for individuals' perceptions of and behaviors within the social hierarchy, with greater regard for hierarchy observed in high (vs. low) power distance cultures (Shavitt, Lalwani, Zhang, & Torelli, 2006). It is therefore likely that signaling status is more prevalent, visible, and elaborate in cultures with high (vs. low) power distance.

Likewise, the individualism (vs. collectivism) of a culture may have a strong influence on status consumption. Status consumption may be higher in individualist (vs. collectivist) cultures due to individuals' greater focus on self-enhancement (Gardner, Lee, & Gabriel, 1999; Markus & Kitayama, 1994). However, one could predict the opposite based on individuals' stronger referral to their social group and potentially stronger susceptibility to social comparison in collectivist (vs. individualist) cultures (Adams, 2005; Heine et al., 2008). We believe these questions represent fruitful avenues for future research.

Similar to the antecedents of status consumption, much still remains unknown about the consequences of status consumption with respect to how status consumption is perceived and appraised. For example, recent research suggests that individuals may behave differently toward others based on how they appraise the source of others' wealth (i.e., whether it was attained through work or luck; Frank, Werenbroch, & Maddux, 2013; Zizzo & Oswald, 2001). It is likely that different attributions of others' wealth that people construe from their observations of status consumption will lead to different reactions to status consumers. These reactions may also depend on the observers' own characteristics (i.e., their own status) as well as norms prevalent in the social and the cultural context (Scott, Bolton, & Mende, 2013). Examining these possibilities in the future would significantly advance our understanding of status and its dynamics.

Economics of Status

Managing Status

To date, very few academic studies have examined how the producers of status signals should manage their products. In particular, few studies have underlined the importance for status marketers of finding the right balance between expanding their customer base to new (less affluent) segments while preserving a prestigious brand image in the eyes of their core (more affluent) clientele. Preserving this balance is crucial when tracking the composition of companies' customer base (Amaldoss & Jain, 2005; Berger & Heath, 2007, 2008) and when managing the portfolio of low-ticket and high-ticket products (Patrick & Prokopec, 2012).

Apart from the issues of balance, however, little is known about the structure and the boundaries of optimal strategies for pricing, promoting, and distributing status signals. In a notable exception, researchers suggested that user-driven innovation may not be as effective in high-status product categories (e.g., luxury apparel) as it is in other contexts, because in high-status product categories, consumers trust the opinions of experts (i.e., renowned designers) more than the opinions of other users (Fuchs, Prandelli, Schreier, & Dahl, 2013).

Predicting Status

Finally, given that status products are social signals, more research is needed to predict how status consumption might change in response to social or economic evolutions in the marketplace. Evidence suggests that brands react to changes in the economic environment, specifically to shifts in the business cycle. In particular, status signals have grown more conspicuous (i.e., louder or larger in logo size) during the most recent recession (Nunes, Drèze, & Han, 2011). It would be important to understand further the predictive role of business cycle as well as of other economic factors, such as unemployment, availability of borrowing instruments (e.g., installment loans), import restrictions on foreign status signals, and word of mouth (WOM), since consumers tend to share a lot of information about their social rank and status consumption through WOM channels (Lovett, Peres, & Shachar, 2013). Last but not least, we believe it would be valuable to examine the link to status consumption of changes in social beliefs and collective mood, including individuals' beliefs about the social system and trust in public institutions.

Conclusion

Although seemingly underrepresented in marketing compared to other fields, status consumption has attracted recent interest from researchers in consumer behavior and marketing. The present chapter delineates the

relationship between social hierarchy and social status, offers a multidisciplinary review of recent research in the area, and outlines what we believe are promising avenues for future research. Given that consumer settings are natural areas for the creation, growth, and use of status signals, marketing constitutes a particularly well-suited field of investigation for status research. We hope that this chapter will spark readers' interest in unpacking the processes underlying social hierarchy and status in consumption contexts.

Note on Search Sources

Included in our search were eight management journals (*Administrative Science Quarterly*, *Academy of Management Journal*, *Academy of Management Review*, *Journal of International Business Studies*, *Management Science*, *Organization Science*, *Organizational Behavior and Human Decision Processes*, and *Strategic Management Journal*), eight psychology journals (*Annual Review of Psychology Bulletin*, *American Psychologist*, *Journal of Applied Psychology*, *Journal of Experimental Social Psychology*, *Journal of Personality and Social Psychology*, *Personality and Social Psychology Bulletin*, and *Psychological Review*), eight sociology journals (*American Journal of Sociology*, *American Sociological Review*, *Demography*, *Social Forces*, *Social Problems*, *Social Psychology Quarterly*, *Social Science Research*, and *Sociology of Education*), and eight marketing journals (*International Journal of Research in Marketing*, *Journal of Consumer Research*, *Journal of Consumer Psychology*, *Journal of Marketing*, *Journal of Marketing Research*, *Journal of Public Policy and Marketing*, *Journal of Retailing*, and *Marketing Science*). Selection of these journals was based on journal ranking information in their respective fields. The search was performed by compiling the results of multiple queries on Business Source Premier.

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