

Assessing the Causal Relationships Among Materialism, Reference Group, and Conspicuous Consumption of Korean Adolescents

The objective of this study is to explore the nature of the relationship among reference group, materialism, and conspicuous consumption of adolescents, and estimate the magnitude of the linkages between these variables. The conspicuous consumption model suggests economic, noneconomic, and dynamic processes be related to conspicuous consumption of adolescents. The strongest predictor of conspicuous consumption of adolescents is reference group, followed by materialism. But an analysis of direct and indirect effects shows that materialism has the largest total effect on conspicuous consumption of adolescents. Materialism has significant indirect effect through reference group.

Jeong Sook Kim, Cheju National University, Korea¹

Adolescent groups are different from other age groups in their consumption behavior. The consumption habits developed by adolescents may influence consumption for years to come. In recent years, the buying power of adolescents has increased dramatically. In Korea, it is argued that adolescents have tendencies for compulsive buying and conspicuous consumption. Therefore, it is important to understand variables that effect conspicuous consumption of adolescents. The objective of this study is to explore the nature of the relationship among reference group, materialism, and conspicuous consumption of adolescents, and estimate the magnitude of the linkages between these variables.

Data for this study are taken from questionnaires returned by a subgroup of 588 adolescents during October 1996. The adolescents were randomly selected from Middle and High Schools in Cheju City, South Korea. Pearson correlation, multiple regression, and path analysis were used to analyze the data. Independent variables in this study included age, gender, family income, household size, and mother's age and educational level, pocket money, perceived level of living, reference group, and materialism. The dependent variables included conspicuous consumption. Evaluation of conspicuous consumption was measured by computing an index out of 30 items. Materialism was measured by computing an index out of 12 items. Reference group scores were established by using the total scores on 5 questions. All items were recorded on a five-point Likert-type scale ranging from extremely disagree (1) to extremely agree (5).

It was hypothesized that age, male, family income, household size, and mother's age and educational level, pocket money, perceived level of living, reference group, and materialism would be positively related to conspicuous consumption of adolescents.

The conspicuous consumption model suggests economic, noneconomic, and dynamic processes be related to conspicuous consumption of adolescents. The results of regression analysis show that the strongest predictor of conspicuous consumption of adolescents is reference group, followed by materialism. Materialism and reference group mostly influence conspicuous consumption of adolescents. Age and gender have statistically significant relationships with conspicuous consumption of adolescents, whereas mother's age and educational level, household size, and perceived level of living are not significantly related. Family income is not statistically significant in explaining conspicuous consumption of adolescents, and has only indirect effect through pocket money. These results indicate that family income is not an important predictor of conspicuous consumption of adolescents. Whereas, the results show that pocket money has significant direct and indirect effects on conspicuous consumption of adolescents. Pocket money has significant indirect effects through materialism and reference group. Therefore, conspicuous consumption of adolescents is influenced more by how much pocket money adolescents have to consume at their discretion than by their family income. This is an important finding because it supports the need for concern and control about pocket money of adolescents. An analysis of direct and indirect effects shows that materialism has the largest total effect on conspicuous consumption of adolescents. Materialism has significant indirect effect through reference group.

Endnote

1. Professor