

# The Effect of Conformity in Luxury: How Does Price Conformity or Nonconformity Affect Desirability in Luxury Clothing?

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## Abstract

Price conformity is the extent to which the price of a product is similar to the market price. There is a gap in research about how price conformity affects how the consumer perceives it. Does a higher price highlight exclusivity or deter potential customers? Three different studies about different types of luxury clothing consumers are analyzed alongside studies performed about conformity in the social context. These topics will be analyzed alongside each other and used to draw conclusions about consumer reactions to price conformity. From this, it is found that status seeking individuals may be more likely to see a much higher price as more unique and more desirable. Meanwhile, conformity seeking individuals may be prone to stick to the status quo. The outlier is that patricians may not have a reaction to price conformity or nonconformity because pricing is not significant to them. These conclusions provide insight for new firms and marketing managers into their specific consumer demographic and how they can change their strategies accordingly.

## Keywords

Price Conformity, Luxury Consumption, Market Price, Conspicuous Brands

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## 1. Introduction

At the height of her career, Britney Spears spent \$16,000 a month on clothes (Haasch, 2023). In 2023, the luxury fashion market earned a revenue of over \$111 billion (about \$340 per person in the US), and it is expected to grow by at least 3% each year (Statista, 2023). With main contributors to the industry's revenue located in Europe and North America, the luxury fashion market sets the curve for the latest fashion trends. Whether it is on runways, celebrity Insta-

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grams, movies, or window fronts, the most expensive apparel is frequently on display. For new firms entering the market, one important decision that they must make is whether they want to stand out and distinguish themselves from other firms or instead conform and compete with many other similar firms. Conformity in a firm, especially one that is meant to be exclusive to elites, may have a significant impact on how well the business performs. Standing out could drive out consumers that are more conservative about how they dress, while being too similar to other firms could put a business in a highly competitive environment. Understanding the consumer is crucial in marketing and in pricing.

Managers must consider the prices of their products and how they want to manipulate them to either stand outside of the typical price range or stay within it. If the firm creates unique associations that consumers connect to that firm, this may lead to increased brand choice and lower competition (Keller, 1993). Based on this, one way a firm could create unique associations is by making prices much higher or much lower than the market price, which is the current price at which a product can be bought based on the laws of supply and demand (Mitchell, 2020). Therefore, marketing managers should consider these various consumer types when deciding whether to conform their prices.

In this context, to conform the price of something is defined as pricing an item within two standard deviations of the mean market price. Whether or not the price of luxury apparel conforms to the general market may be a defining factor that sellers may use to highlight their exclusivity and uniqueness to stand out from the competition. This paper will explore different consumer types, such as snobs, conformists, parvenus, patricians, and compulsive and non-compulsive buyers. Differences between these consumers along with their respective preferences when buying luxury clothing will be discussed to analyze how managers should market their products to appeal to their target consumers. The review of research presented in this paper may also provide insight on people's use of possessions as extensions of themselves, the value of exclusivity in society, and the role of status in our buying habits. Specifically, this paper addresses how marketing managers focused on the psychology of their consumers should make decisions on pricing their products. This paper will focus on the conformity and nonconformity of prices of luxury clothing and accessories, and how this affects desirability of the clothing.

Previous research had not covered several diverse types of consumers within the luxury clothing market specifically, and it had also not extensively researched how they perceive prices of luxury items. Conformity is mostly studied in social contexts such as how people perceive a person who is dressed in a non-conforming way. The idea that a price can conform or be nonconforming will be explored. The results collected from studies pertaining to conformity in social contexts will be applied to price conformity. This paper will fill the research gap by connecting psychological signals received by price conformity with pricing and marketing.

This paper is organized as follows: it describes the components of the question and then presents the potential reactions to price conformity. The question, how does price conformity or nonconformity affect desirability in luxury clothing, contains specific words such as price conformity and luxury that are put into the context of the paper in the following sections. This is followed by in-depth background information on every consumer type that is being explored and justification for why this paper chose those consumers. Then, the points of the paper will be presented in the form of three different scenarios. Each scenario groups the consumers based on their desirability for price conformity. These scenarios are assumptions based on the characteristics of the consumers that are described in their respective studies. Finally, the paper concludes with the limitations of its findings and the managerial implications of the research conducted.

## 2. Conformity

To fully understand what is meant by pricing being considered conforming or nonconforming, a deeper understanding of what conformity means is needed. Conformity is a social construct dictated by community standards and driven by a desire for social acceptance (Bellezza et al., 2013). Mcleod suggests that there are two reasons people in society may choose to adhere to social conventions. The first is that people conform to fit in despite disagreeing in private (Mcleod, 2023). Asch (1951) exemplifies this in an experiment where one subject is seated with seven confederates who are instructed to provide obviously wrong answers. In over twelve trials, 75% of the real participants conformed to the rest of the group at least once. The second reason people conform is because they lack the appropriate knowledge and look to the rest of the group for what to do (Mcleod, 2023). For example, Sherif asked participants how far the light moved in a visual experiment and then they were put with other participants with similar or different answers from their own (Sherif, 1935). Sherif found that when grouped together, instead of sticking to their original answer, the participants confirmed their answer to the other participants since they were unsure of how correct their answer is and they assumed that the rest of the group would be more knowledgeable than themselves. In contrast, reasons for a person to prefer nonconformity include cultural differences and preferences for individuality or collectivism (Mcleod, 2023). People may also feel deprived of their uniqueness and therefore take actions to reduce this feeling (Imhoff & Erb, 2008). A person may demonstrate their uniqueness by agreeing with the alternative minority position on the issue under consideration (Imhoff & Erb, 2008).

Price conformity is the extent to which the price of a product is like or the same as the market price for that same product. Price nonconformity would mean that the price is noticeably more or less expensive than the market price. Bellezza et al. (2013) found that people are more comfortable with conformity because they fear rejection if they do not conform to societal norms. In contrast

to this, people from the upper class are less concerned about what everyone else thinks of them (Bellezza et al., 2013). In an achievement and wealth-based society, the ones with more money also have more power, and by this standard, they can express their autonomy and deviate from the norm knowing that their status is protected either way (Bellezza et al., 2013).

Despite this, some people from the upper class still value signaling to those from a lower class that they are of higher economic status than them. Especially to spectators with a high desire for uniqueness, a nonconforming individual is perceived as having a higher status (Bellezza et al., 2013). In a study performed on The Red Sneaker Effect, a man intentionally wears a red tie when everyone else wears a black one and he is perceived as having a higher status. The Red Sneaker Effect is the positive interpretation of nonconformity as being a symbol of higher status and greater competence since the nonconforming individual demonstrates autonomy and intentionally deviates from the norm (Bellezza et al., 2013). Hence, wealthier people may aim to dress differently from the norm to signal to the rest of the community that they have a higher financial status (Bellezza et al., 2013). They may do this by buying extravagant jewelry, watches, and especially clothes. It has yet to be uncovered whether this desire for distinction in attire translates to a preference for nonconforming prices in luxury products as well and there is a need for this to be researched further.

### 3. Luxury Clothing

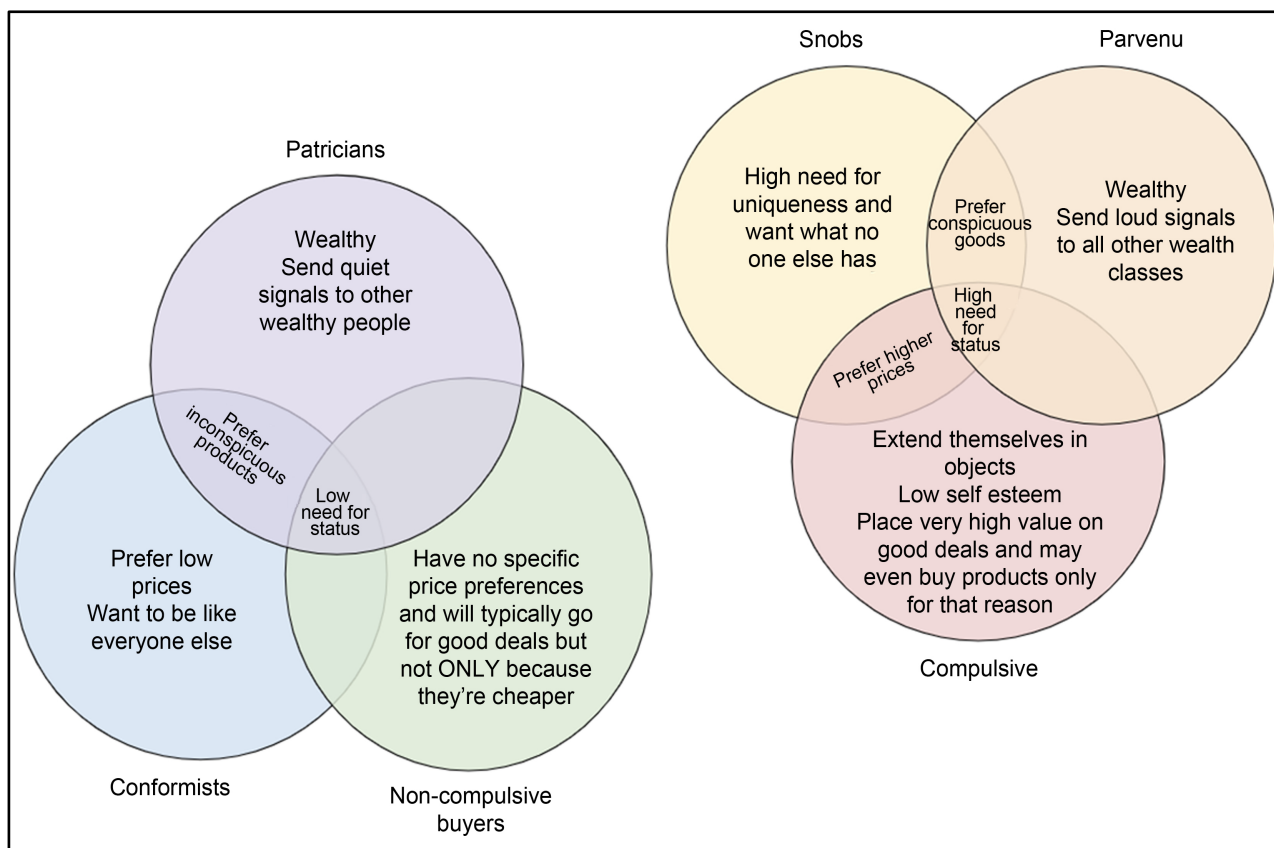
Although the entire clothing industry is impacted by consumers and conformity, luxury clothing may be specifically significant because luxury is no longer reserved for only the highest classes as all types of consumers are able to afford it (Yeoman & McMahan-Beattie, 2006). For example, compulsive buyers that frequently buy luxury have an average household income of \$82,000 USD (Kukar-Kinney et al., 2012). Yeoman and McMahan-Beattie (2006) also argue that luxury can be mass produced while still being authentic; however, the traditional elite world still exists. While the luxury clothing subset of the clothing industry has become broader, it may still specifically be optimal to study because not everyone can afford luxury, but those that do are choosing to spend significantly more money on items that may be like other items that are much cheaper. Therefore, there may be certain factors that are received by luxury consumers that influence them to keep coming back. Since the term “expensive” is still a broad representation, there are also other standards and expectations that define luxury such as highest quality, highest prices, the latest styles, and exclusivity, among others. The codes of luxury dictate that brands must be high quality, offer function or emotional value, have positive brand associations, be justified in charging higher prices, and be able to foster deep connections with their consumers (Ko et al., 2019; Maman Larraufie & Kourdoughli, 2014). Brands that fit this description may be eligible to be considered luxury even though these brands may not be exclusively elite.

A conspicuous luxury brand is a brand that stands out and one that people recognize as a highly luxurious brand easily (Jee Han et al., 2010). Inconspicuous luxury brands are brands that are not easily recognized by those who are not knowledgeable about specific indicators of luxury, but they are still the highest quality, expensive, and the latest styles (Jee Han et al., 2010). Inconspicuous luxury consumption became popular due to the wide availability of luxury products and the prevalence of people using counterfeit luxury products to display signs of wealth (Wu et al., 2017). Bearden and Etzel (1982) demonstrated that luxury goods that are bought in public, rather than online for example, were more likely to be conspicuous than inconspicuous. Each model compliments the type of consumers that the brand is selling to. One example of preferences in a specific classification of wealthy consumers is that those with a low need for status tend to prefer inconspicuous luxury items. They prefer quieter signals to other wealthy people than loud signals to everyone else. However, wealthy people with a high need for status prefer conspicuous brands that display their wealth to everyone (Jee Han et al., 2010). Brands may also choose to sell products that are both conspicuous and inconspicuous to appeal to a larger and more diverse community of luxury consumers.

#### 4. Consumer Types

Within the grouping of luxury consumers, there are many other subcategories that have vital distinctions. It is important to keep in mind which type of consumer is most prominent in the community that the product is being sold to. Need for status and uniqueness, preferences, and the way consumers react to either much higher or much lower prices varies. Each group contains specific personal traits that affect their behavior and have varying opinions on their shopping preferences (see **Figure 1**). The way that consumers perceive products is significant because some consumers may assume higher or lower quality based on the price. Consumers perceive a product as high quality if the price is higher because they view that as a natural benchmark for an item that is worth the financial sacrifice (Tonce et al., 2020). Lower price limits dictate the point when products become inferior quality and a higher price limit shows when products become too expensive and not worth the financial sacrifice (Tonce et al., 2020). Upper and lower price limits and assumptions of quality accordingly are subjective, however, to the consumer.

The first contrasting pair are the snobs and conformists. As the name suggests, conformists prefer to go along with what everyone else is doing. They associate products that have more buyers as being more valuable because they are popular (Amaldoss & Jain, 2004). Snobs are people that have a high need for uniqueness and typically purchase conspicuous products to satisfy this (Amaldoss & Jain, 2004). They want the more expensive products without even considering quality (Amaldoss & Jain, 2004). Both groups are aware of the laws of supply and demand, and they apply this knowledge to infer what the price of



**Figure 1.** Consumer comparison diagram. The two separate Venn diagrams make obvious distinctions from each consumer group while also defining their similarities (Amaldoss & Jain, 2004; Jee Han et al., 2010; Kukar-Kinney et al., 2012).

an item reflects (Amaldoss & Jain, 2004). The next pair applies to the entire clothing industry, but in this paper, their mentalities will only be considered in the context of luxury clothing: compulsive and non-compulsive buyers. In this context, compulsive buyers are prestige sensitive which means that they associate higher prices with high status. They view brands as having high symbolic value because compulsive buyers extend themselves through objects (Kukar-Kinney et al., 2012). Characterized by low self-esteem, compulsive buyers have little control when shopping and are often materialistic (Kukar-Kinney et al., 2012). Non-compulsive buyers shop for what they need and are not significantly influenced by prices (Kukar-Kinney et al., 2012). The final pair are the patricians and parvenus, which are both specifically part of the wealthier classes of society. In the original study, there were four groups with patricians and parvenu being two and proletarian and poseur being the other two (Jee Han et al., 2010). Proletarians and poseurs, in the study, contained less wealth than the patricians and parvenu, but the poseurs had a higher desire for status than the proletarians (Jee Han et al., 2010). Despite the poseurs attempting to mimic the patricians and parvenu to seem like they have a higher status as well, the poseurs and proletarians are not included in this paper because neither group buys authentic luxury items (Jee Han et al., 2010). Proletarians are not seeking high status symbols, so

they do not consistently buy luxury and poseurs are prone to buying counterfeit rather than original luxury items because they do not have the financial means to do so (Jee Han et al., 2010). Despite their differences, all these groups have predetermined price ranges and perceptions of quality that guide their choices when they are shopping.

#### **4.1. Snobs and Conformists**

These two terms are on opposite ends of their respective spectrum since snobs have a high desire for uniqueness and conformists go along with the crowd. Both consumer types infer how unique a product is based on whether the price is higher than average or not. If the price is higher than typical market price, then snobs will infer it is more unique because less people will buy it (Amaldoss & Jain, 2004). Conformists will assume a product is popular if its price matches the market price and many people are buying it (Amaldoss & Jain, 2004). Snobs are specifically interested in conspicuously branded products, products that are obviously expensive (Amaldoss & Jain, 2004). These goods satisfy their need for material goods and their desire for prestige (Amaldoss & Jain, 2004). Product exclusivity also makes luxury attire more attractive to snobs, while conformists do not have a substantial reaction (Amaldoss & Jain, 2004).

Kastanakis and Balabanis (2014) also developed similar classifications of consumers in which both groups have status-seeking motives. Bandwagon consumers, the consumers who buy luxury that is popular, strive to achieve social approval for status by buying items that are socially accepted (i.e., popular items) (Kastanakis & Balabanis, 2014). Snobs, however, want to dissociate from the mainstream by buying unique items to attain status (Kastanakis & Balabanis, 2014). Since the other defining characteristics of bandwagon and snob consumers are like that of conformists and snobs, it may be reasonable to assume that conformists and snobs share traits found in bandwagon and snob consumers. Conformists, like bandwagon consumers, may also contain traits of interdependency (i.e., focusing on social connections and valuing interdependent relationships) (Kastanakis & Balabanis, 2014; Cross et al., 2011). Snobs, like snob consumers, on the other hand, may contain traits of independency (i.e., focusing on one's own personal attributes and deemphasizing others since one considers themselves above others and seeks autonomy) (Kastanakis & Balabanis, 2014; Cross et al., 2011). This supports the idea that conformists might be more concerned with how others will view their product choices in relation to social standards; meanwhile, snobs could be more concerned with standing out.

#### **4.2. Compulsive and Non-Compulsive Buyers**

Being unable to control buying habits stems from a range of psychological factors, such as low self-esteem, obsessive compulsive disorder, and a high need for a positive feeling from purchasing (Kukar-Kinney et al., 2012). Compulsive buyers already spend a lot of money shopping that they regret later, so to ease their



conscience, they are price conscious and sale-prone, which means that they are most likely to find the lowest prices for goods and to react to sales by buying (Kukar-Kinney et al., 2012). More than most other people, compulsive buyers strive for positive feelings from purchases (Kukar-Kinney et al., 2012). Contrary to these findings, compulsive buyers are most likely to buy prestigious products from well-known brands to enhance their self-image (Kukar-Kinney et al., 2012). However, they will typically try to find good deals or the lowest prices available for such products (Kukar-Kinney et al., 2012). Kukar-Kinney et al. (2012) found that 98.5% of compulsive buyers are women, 63% are married, and the age of compulsive buyers ranges from 28 to 75. Non-compulsive buyers are not significantly sale-prone and will not only buy products because they are on sale (Kukar-Kinney et al., 2012). Non-compulsive buyers are less likely to have been price conscious or to have low self-esteem (Kukar-Kinney et al., 2012). The article adds that non-compulsive buyers resemble the general market and do not usually have strong feelings after transactions (Kukar-Kinney et al., 2012).

### 4.3. Patricians and Parvenus

As the only pair in specifically the wealthy class, patricians and parvenus have a slightly different approach than the previous types of individuals. Patricians are high-class members of society that have a low need for status. They send quiet signals that only other patricians can understand which makes their specific group exclusive (Jee Han et al., 2010). Patricians are most likely to pay a high price for inconspicuous goods, luxury products that are not obviously considered luxury to the public (Jee Han et al., 2010). Inconspicuous luxury products send signals that are only used or recognized by those who have the knowledge to understand their meaning (Berger & Ward, 2010). They have a specific set of skills that allow them to accurately infer the quality of items without looking at the price tag and to also determine the manufacturers without seeing a single logo (Jee Han et al., 2010). Parvenus are high-class people as well, but they want to distinguish themselves from the lower classes in the flashiest way possible. Therefore, quality may not be their biggest concern, only the conspicuousness, the extent to which something stands out, of the product. Parvenus have a high need for status and social eliteness but do not contain the ability to detect subtle design features (Jee Han et al., 2010).

## 5. Methodology

The preceding sections have provided context for the main assumptions that will be drawn. They set the grounding for how this paper will create its conclusions and why the consumers that are being analyzed were chosen. To evaluate the information, all characteristics of the consumers are found from their respective studies and the following conclusions are purely based on the author's own observations. First, the characteristics and purchasing tendencies of one consumer are observed. Each article had already studied and recorded specific attributes of



each consumer. Since each of these studies compares at least two distinct types of consumers, they have studied purchasing tendencies of each of them and why they have those tendencies. These findings are used to create an assumption about how they would perceive price conformity. Then, findings from other studies are applied to the scenario to support the assumption. For example, the prerequisite that conformity must be recognized to have any effects (Bellezza et al., 2013) is coupled with qualities of a patrician to support the claim. Finally, a conclusion about how the consumer will perceive price conformity and their desirability accordingly is made that incorporates all the previous studies cited. The qualities of the consumers are directly from their articles, but the analysis created from their qualities after this only incorporates data from other journals that are applicable.

## **6. What Moderates the Relationship between Conformity and Desirability?**

With so many distinct types of consumers, it is impossible to have only one solution. Hence, there are three different scenarios that this paper explores that could play out depending on the most prominent buyer. Using examples that are derived from each subgroup, each of the possible effects that conformity could have on desirability is observed. Based on their personalities and psychologies, each type of consumer is analyzed to determine how they would react to a non-conforming or conforming price.

### **6.1. Scenario 1: Conformity Has No Effect**

As the wealthiest consumers, the patricians will naturally stray from the expected path. Patricians were previously stated to pay premium prices for inconspicuously branded products and to contain an acute ability to determine a product's manufacturers based on its unique features (Jee Han et al., 2010). Knowing this, high end clothing companies preemptively charge premium prices for their products that do not show obvious signs of luxury (Jee Han et al., 2010). Patricians, unlike the other consumer types, are more concerned with associating themselves with other patricians using quiet signals than distinguishing themselves from other lower classes (Jee Han et al., 2010). For this reason, we theorize that the price itself is not the driving factor of whether patricians will buy the product.

While some consumers purchase luxury brands to conform to those around them with a higher status, others tend to purchase inconspicuously branded luxury to distinguish themselves and express autonomy (Lee et al., 2020). It is possible that they would not even use the price to infer quality given their keen eye for subtle product details would provide them with all the necessary information. If it is inconspicuously branded, it could be assumed that patricians will pay whatever the price is. Therefore, whether the price conforms to the product's specific market or not is irrelevant. Another factor that may affect the patrician's

lack of reaction to price conformity or nonconformity is the lack of their price literacy. For conformity or lack of conformity to have any effect, it must be recognized (Bellezza et al., 2013). However, as part of the top one percent, patriarians may be more likely to be willing to pay higher prices. The concept of a price being too high would not be an issue for a person with expendable money, so nonconformity would not be observable either. As a result, when it comes to the wealthiest consumers in the market, price conformity may not influence desirability.

## 6.2. Scenario 2: Conformity Increases Desirability

Now that we have discussed how the wealthiest people in the world would react, we will consider how the rest of the population might behave. Conformists want to blend in with the rest of society, so they place a higher value on products that more people buy (Amaldoss & Jain, 2004). Since conformists fear being singled out socially (Amaldoss & Jain, 2004), we expect them to be deterred by prices that are completely outside the accepted range of that product. One way they would stand out is buying a more expensive option because fewer people will buy the overpriced option. Similarly, the conformist buyer would feel that they stand out if they buy the much cheaper option. This would also make them different from everyone else, so their desirability should be highest for the most conforming price that suggests the most conforming attire. Another way conformity increases desirability is with non-compulsive buyers. Non-compulsive buyers are less sale-prone and do not experience a significant emotional reaction from buying (Kukar-Kinney et al., 2012). This suggests that they do not need to constantly buy products to fulfill any emotional or prestigious needs. Cheaper products should not have a huge effect because they do not need to rationalize their spending. Instead, it is hypothesized that non-compulsive buyers will buy at the market price because they assume it is appropriate for their desired quality. Therefore, conformity would increase the consumer's desirability when the consumer has a high need to conform to the rest of society and they want a decent quality item for a reasonable price.

Although it may seem that people who decide to always conform may lack a sense of personal identity, the opposite is believed to be true because people form their identity through the standards and approval of others (Gollwitzer & Wicklund, 1981). People who do this have a high tendency for self-monitoring (i.e., extent to which people tailor their identity or public image in accordance with situational cues) (Lennox & Wolfe, 1984). People who choose to buy products that conform could be trying to blend in with their environment and stick within what is socially acceptable. For example, bringing an expensive and conspicuously branded Gucci bag to a casual event could be considered obnoxious or inappropriate.

Aside from conforming to fit in, people may conform without consciously thinking about it. In a study performed by Salkeld et al. (2000), participants were

given the option between the regular bowel scan (status quo) or a different proposed form of testing for bowel cancer. Respondents preferred to spend an extra \$18 for the status quo due to the endowment effect (Salkeld et al., 2000). This effect refers to when people value material objects more once they have already had them (Kahneman et al., 1991). When applying this same logic to consumers buying luxury clothes, it can be assumed that the reason some consumers prefer price conformity is because it is what they are used to, as well as because of the endowment effect. Another example of the endowment effect is the study performed by Kahneman et al. (1991) where three groups (sellers, buyers, and choosers) were presented with a mug. The sellers were asked at what price they wanted to sell the mug at in the range of \$0.25 to \$9.25, and the average was \$7.12. The buyers were asked at what price they were willing to buy the mug within the same range, and the average was \$2.87. Finally, the choosers were asked whether they wanted money or the mug, and the average price that the choosers would take money over the mug for was \$3.12. This study demonstrates that people feel attached to what they are given, and/or already have since the sellers wanted more than double the price than buyers were willing to pay to give up the mug. Applied to consumer behavior in luxury stores, the endowment effect may cause a drift between the buyer and the seller. While sellers may mark up prices because they believe their product is more unique, buyers may value their money over the item and choose to buy another product that is better tailored to their expected price range.

Price conscious individuals will often set limits on how much they are willing to pay (Lichtenstein et al., 1993; Völckner, 2008). Thus, consumers may set price limits for how much they will pay for an item. Conformists and non-compulsive buyers should be the most likely to have a higher desirability for price conforming attire that allows them to conform to society and keep with what they are used to.

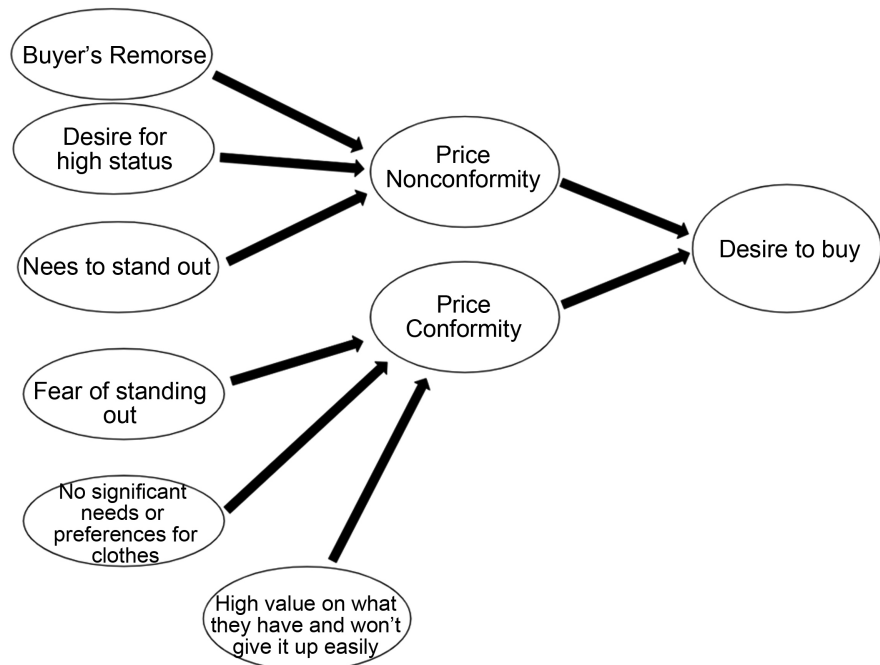
### **6.3. Scenario 3: Conformity Decreases Desirability**

Though the scenario of conformity decreasing desirability applies to more types of consumers there are several cases where this would not occur the first example of this is snobs who have a high need for uniqueness and prestigiousness, which is why they seek conspicuous goods to satisfy their material needs (Amaldoss & Jain, 2004). Their assumptions when buying are that higher prices mean fewer buyers which means it is more unique (Amaldoss & Jain, 2004). Based on this, it is hypothesized that conformity with prices would decrease desirability because it does not represent product exclusivity. While exclusivity can be highlighted in other ways, one recognizable factor could be the product's price. Snobs may recognize that the most unique clothes will have the most unique prices. People choose to express themselves through material possessions that remind us of ourselves and who we are, as well as to give us a sense of immortality after death (Belk, 1988). Accordingly, snobs may choose to represent them-

selves in the most unique way to reflect their values.

Another consumer type where conformity decreases desirability is the compulsive buyer. As the name suggests, compulsive buyers have a lack of impulse buying control and they are constantly shopping to extract positive feelings and boost their low self-esteem (Kukar-Kinney et al., 2012). They are more price conscious and can detect the lowest prices (Kukar-Kinney et al., 2012). They often feel regret after buying, so sales make them feel better about their spending habits, making them highly sale-prone (Kukar-Kinney et al., 2012). Finally, compulsive buyers have a high need for prestige and receive the most positive feelings by buying from well-known brands (Kukar-Kinney et al., 2012). Therefore, nonconformity in prices should be easily recognized by compulsive buyers, especially in well-known brands that they prefer to shop for. They could be most likely to buy luxury items from conspicuous brands if they are much cheaper, which would in turn lead to more consumption by the compulsive buyer because they think that they are saving money. Although some may perceive a much lower price to lead to a loss in profits, when applied correctly it can “trick” the consumers into believing they are saving money while they are buying and spending more than they normally would (Thaler, 1999). This is speculated to be because of a high acquisition (the value consumers place on goods if they were given them as gifts minus the price actually paid) and transaction utility (the difference between the price paid and the regular price the consumer expects to pay for the product) received by the compulsive buyers. Thaler (1999) goes on to say that some goods are only purchased because they are perceived as good deals, and that this can be exploited by sellers that highlight the difference between the actual and “regular” price. It makes sense that since compulsive buyers are more price conscious and can detect a significantly lower price, compulsive buyers would also find cheaper luxury items to have a high transaction utility. They may even only buy items because of their higher perceived value.

The final consumer type where conformity is less desirable is the parvenus. Parvenus are wealthy consumers that have a high need for status and to dissociate from the lower classes (Jee Han et al., 2010). They do so by buying the most conspicuous luxury items since they cannot interpret subtle wealth signals like the patricians (Jee Han et al., 2010). This implies that the parvenus may attempt to display their wealth status by buying expensive apparel that sends a loud signal to everyone. A loud signal is a symbol of wealth that is received by everyone because it is so obvious (Jee Han et al., 2010). Jee Han et al. (2010) states that it is the prominence of a well-known brand that sends a loud signal; however, the authors also predicted that a much higher price would also draw attention to the parvenus. While there may not necessarily be a prominent logo displayed, parvenus may assume that either the brand of the shirt is luxurious, or that the product itself is one of a kind. Either way buying the shirt would show the wealth of the parvenus. Hence, in many instances, a price that is not within the normal range could attract more attention and increase desirability (see **Figure 2**).



**Figure 2.** The factors that go into price conformity or nonconformity being more desirable.

A factor not previously considered is the effect of power on the consumer's mentality. Rucker and Galinsky (2008) state that feeling powerless results in people seeking to compensate or diminish such feelings. Further, given that high status is often used as a symbol of power, obtaining status is one way that a person may choose to compensate for feelings of powerlessness (Fiske & Berdahl, 2007). Finally, since products are a medium of signaling status, acquiring status-related luxury products serves as a way that consumers may attempt to diminish feelings of powerlessness and restore their perceived power (Rucker & Galinsky, 2008). Consumers such as compulsive buyers, snobs, and parvenus may purchase products due to a lack of a sense of power because of lower income, low self-esteem, or other insecurities (Amaldoss & Jain, 2004; Jee Han et al., 2010; Kukar-Kinney et al., 2012). Since all the consumers listed tend to buy products with a high-status connotation, it may be inferred that they do so to invoke a sense of power. A desire to acquire luxurious products that suggest high status also comes with an increased willingness to pay, but only when the product is portrayed as unique, or high status (Rucker & Galinsky, 2008). While this is not to suggest that power is the only factor that affects a consumer's willingness to buy, it may affect consumers that are prone to independence.

One question that remains is why consumers prefer luxury to show status. Parvenus, compulsive buyers, and snobs all have a high need for status (Amaldoss & Jain, 2004; Jee Han et al., 2010; Kukar-Kinney et al., 2012). Based on this, parvenus, compulsive buyers, and snobs prefer luxury products because people with a high desire of social status prefer luxury products (Balabanis & Statho-

poulou, 2020). Those with a high desire for status were also predicted to be more willing to spend the amount of money that luxury products cost since they use conspicuous luxury products to show the amount of expendable money they have and raise their social status (Balabanis & Stathopoulou, 2020). Finally, specific brand and product choices are driven by a desire for social status (Anderson et al., 2005; Goldsmith, Flynn, & Clark, 2012). That being so, status-seeking individuals may have a strong preference for luxury brands and products that will enhance their status.

The arrows represent a hypothesized causal relationship (Amaldoss & Jain, 2004; Jee Han et al., 2010; Kukar-Kinney et al., 2012).

## 7. General Discussion

### 7.1. Limitations and Future Research

Conformity and luxury are subjective topics which mean that while some people may think that something is luxury with a conforming price, others may think it is not considered luxury and that the price is way over the normal range. While price nonconformity in this paper was only considered if it was more expensive, it is important to consider the lower end of price nonconformity as well. Since most of the population is not extremely wealthy and therefore cannot afford to consistently shop for luxury clothing, making clothing more affordable can make them more attractive to more people and increase sales by broadening the market. This paper is also not specific about what the boundaries of clothing are, so results may differ depending on what some include or do not. For example, some may define clothing as only attire you wear on your body, not necessarily accessories. There is also a need to further investigate if there are differences in the way people buy luxury clothes depending on how seemingly essential, they are. The research included also does not consider nationality or ethnicity since the consumer types described come from alternate sources that studied people of different ages, genders, nationalities and ethnicities. A more specific classification of consumers that are taken from the same group may receive different, more in depth results. Other than the specifications already mentioned for each consumer, the definitions are meant only to define the overall customer personality and psychology.

While it is never bluntly stated, the buying mentality is not restricted in whether the people analyzed are buying in stores or online. This could also be a topic of future research as the world is ushered into the age of technology to examine how this changes the clothing industry and consumption. It is also realized in the first scenario that price nonconformity must be recognized by the consumer to have the intended effect, and this cannot be regulated or guaranteed no matter the consumer type. All prior conclusions could be enhanced with experimental data collected via questionnaires, surveys, or interviews. Due to lack of funding and resources, this paper does not include experimental data, but future research may expand on the topic with conducted experiments. Going

back to the lack of one nationality or ethnicity in the research literature, cultural differences may also have a significant impact; however, they are not studied in this paper. In the United States (U.S.), for example, status is signaled by a show of high attractiveness and intelligence (Balabanis & Stathopoulou, 2020). However, Solnick et al. (2007) found that in China, displaying one's wealth has a more prominent social role than in the U.S. Culture and social laws can impact the buyer's priorities and there is a need to examine in what ways this applies and how. This paper aims to tackle the differences in perspectives when it comes to buying luxury clothing and the factors that influence the main consumers of the market. Since there are very few people in proportion to the population that can afford to consistently shop for luxury, making products more desirable or more affordable can increase sales and profits.

## 7.2. Managerial Implications

For those who are looking to apply this research to marketing their luxury clothing, there are a few implications. It must also be considered that drastically changing or dropping prices may have a huge contribution to a brand image. Especially for firms new to the market, prices will define the way people view them and what associations will be made accordingly. Keller (1993) reasons that brand associations make up brand image, and that brand associations are made from the brand's attributes, which includes the price. In summary, consumers may interpret a much higher price as exclusive, snobby, or a rip off, among others, and a much lower price as inferior quality, common, a good deal, or cheap, among others. Depending on how people perceive the change in price, dropping or raising prices will have a serious impact on brand image. For new firms, this may not be the most strategic plan since it is possible that there is too much competition to stand out in this way. An established brand that already has customer loyalty and positive associations may instead want to use this method to increase popularity, awareness, and sales.

Marketing managers who are working to sell products that are struggling to stand out may consider raising the price instead of dropping it in clearance because it would signify the attire is exclusive and seemingly more valuable. Of course, depending on the setting it may take more than just the price to convince people of this. Changing the price is useless if no one realizes, so creating awareness and highlighting either the good deals or the valuable nature of the product is key. Another point to be discussed is social and cultural differences. Income and display of wealth is more important in China than in the United States (Solnick et al., 2007), for example. Also, signaling status is focused on attractiveness and intelligence in the United States (Balabanis & Stathopoulou, 2020), which is why Balabanis and Stathopoulou (2020) found that desire for status with income on price was most noticeable in products that improve physical attractiveness. For this reason, the products that are being marketed may have varying degrees of success depending on the culture and what it used to es-



establish one's status. The main takeaway of this paper is that there is no one size fits all. There are multiple outcomes that are possible, but it becomes easier to narrow down if one knows their audience. Once management has determined the most prominent consumer(s), this paper can support them in identifying the most beneficial marketing strategy.

### Conflicts of Interest

The author declares no conflicts of interest regarding the publication of this paper.

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