

## **Middle Eastern consumers in a state of flux- an exploration of conservative vs. conspicuous consumption practices**

### **Abstract**

This paper focusses on one particular phenomenon; that of the Arab Spring. Given the scope for a wealth of consumption opportunities and paucity of studies in the consumer research literature on the Middle East, it would appear timely to reassess how consumption practices have been affected and the extent to which consumers caught up in these turbulent environments transition through the ongoing flux. To this end, this paper contributes to the literature by discussing two streams of consumption; conspicuous and conservative and discusses how consumers have interchanged between the streams at different epochs (periods in time). These epochs are characterised by a history, happening and hopes narrative in this paper to demonstrate how consumers' consumption practices were in the past, their present experiences and also their expectations for the future. The findings demonstrate a dialectic interplay between Egyptian and Libyan consumers' consumption practices over the three epochs.

### Keywords

*Conspicuous Consumption, Consumption Practices, Arab Spring*

### Track

*Consumer Behavior*

## 1. Introduction

The Middle East region (ME) is home to more than 350 million consumers. 53% of the ME's population is aged twenty-five or younger. This youth population has lived through times of turbulent change and to the opening up of markets in the wider global economy. When compared against emerging markets such as India (48% of the population under twenty-five years old) and China (34%), the ME has the largest demographic of young consumers (Mahajan, 2013). The 'shabab' (youth) generation in particular, are much more aware of global consumption than their parents' generation and as such, they express a desire to consume foreign products and services. The increase in urbanisation and leap from traditional to modern trade is contributing to the rise of the middle class, whose consumption practices reflect both tradition (e.g. shopping from 'souks' or traditional markets) and postmodernity (e.g. shopping from modern malls). This paper contributes to the literature by discussing two streams of consumption; conspicuous and conservative consumption. The former describes a push towards foreign consumption, whilst the latter stream advocates consumption within the boundaries of tradition. A number of studies have addressed conspicuous consumption (e.g. Mason, 1984; Wang, & Griskevicius, 2014; Wong & Ahuvia, 1998) albeit with a predominant focus on contemporary western societies but considerably less is known about conservative consumption. Thus, in this paper, a problematization strategy is used to create scientific usefulness (Alvesson & Sandberg, 2011), especially given the paucity of studies in the consumer research literature that have focussed on the ME (Huang & Balakrishnan, 2013). Therefore, this paper offers an incremental contribution to address these gaps in the literature. With these contributions in mind, the objectives for the paper are structured as follows:

- 1) To examine the extent to which consumers in transitional societies are swayed towards conservative or conspicuous consumption.
- 2) To provide an account of how Egyptians and Libyans' histories, hopes and future expectations have influenced the Arab Spring phenomenon and the degree to which their consumption practices have been affected as a result of it.

Given the scope for a wealth of consumption opportunities and following the political turmoil of recent events (popularly known as the 'Arab Spring') which have resulted in regime changes, it would appear timely to reassess how consumption practices have been affected and the extent to which consumers caught up in these turbulent environments transition through the ongoing flux. The use of the term flux in this paper describes the state of continuous change. Societies going through transitional periods (revolutionary contexts) are characterised by the co-occurrence of modern/western and traditional/conservative values and thus, consumers are in a constant state of flux. In attempting the stated contributions, a rare insight is provided into the ongoing flux in the ME. The paper is structured as follows: In section two presented next, a review of the most pertinent literature surrounding conspicuous and conservative consumption is observed. The methodology is discussed, followed by the findings and conclusions.

## 2. Literature Review

Thorstein Veblen in 1899 coined the term conspicuous consumption to refer to the permissible flaunting of the rich who saw consumption as a social status symbol by displaying materialistic possessions. In line with Belk (1988), possessions can reveal the ideal self and can symbolically extend a sense of having and being. Conspicuous consumption practices tend to be more explicitly witnessed in developed market contexts because marketing practices have focussed heavily on developed nations with advanced market based economies and where there is less government interference (Burgess & Steenkamp, 2006). Thus, there has been less opportunity for consumers in developing nations to partake

in conspicuous consumption. To help explain conspicuous consumption within non-western societies, Zheng (1992) discuss how consumers in Hong Kong enjoy showing off publicly visible luxuries (e.g. cars, clothes, jewellery) and particularly goods from western societies. Due to the popularity of conspicuous consumption, the lower and middle classes are also implicated and feel the pressure to keep up with those above them; a similar point alluded to by Wong and Ahuvia (1998).

Whilst at the extreme end of consumption, conspicuous consumption practices evoke pleasure, prestige and social status, at the less extreme end, conservative consumption denotes consuming basic necessities and holding on firmly to traditional values. Given the paucity of studies concerning conservative consumption, a definition is necessary to position the term within the context of the paper. Insofar as conservatism is concerned with preserving tradition and remaining somewhat averse to change (Shechter, 2011), conservative consumption can be witnessed as clinging onto traditional values. In comparison to older generations, younger individuals in traditional/conservative societies are more likely to exercise western and individualistic values or a mix of both (traditional and western values) (Nir & Al Assad, 2007). Moreover, in their study of consumers in flux in Egypt and Libya, Al-Abdin, Dean and Nicholson (2016) expose the dialectic tension between how consumers consume in traditional/conservative vs. modern/western societies. They propose the notion of the transitional self in a liminal period of transition and one that is grounded in the present but is referent to history and hopes. They also show how consumers use rituals, values, symbols and artefacts to reflect their sense of self and they conclude that consumption is a significant propellant of the Arab spring but also a cause of it.

### **3. Methodology**

Semi structured interviews were conducted amongst Egyptian (26 respondents) and Libyan (16 respondents) during March-April 2013. Due to the particularly high risk environments in both countries, snowball sampling was used to gain referrals. A '*history*', '*happening*' and '*hopes*' narrative was followed. *History* referred to respondents past experiences, *happening* captured present experiences and *hopes* provided a sense of future expectations. Interviews took place amongst Egyptian and Libyan respondents from Universities in Cairo and Tripoli. Respondents were either postgraduate students or academic members of staff and came from a range of demographics. The duration of each interview lasted between forty-five minutes to one hour each.

Nvivo 10 was used to code the data using grounded theory methods (Charmaz, 2006). The first coding phase involved initial (open coding). Within each of the two phases, several sub coding methods were deployed. These included provisional coding, line-by-line coding, simultaneous coding, values coding, versus coding and in-vivo coding (see Saldaña, 2013). For example, in-vivo coding was used to record codes verbatim and preserved participants' own spoken discourse. To preserve anonymity, participants were referred to as numbers in brackets e.g. (1). Phase two involved focussed (axial) coding and the arrangement of meta themes. Next the findings and discussion are presented. Due to word constraints of this paper, only selective respondents' comments are used.

### **4. Findings**

#### *4.1 History- past experiences*

Conspicuous consumption is not new in Cairo and Tripoli. The social class hierarchy and authoritarian structure of the ruling Mubarak (Egypt) and Qaddafi (Libya) regimes suggested that conspicuous consumption practices were advocated in the form of praising the regime's hegemonic status and power. A key difference between Cairo and Tripoli is that the Libyan capital was subject to an embargo until 2003. Therefore, the marketplace in Tripoli has had less opportunity to develop. Without

extensive consumption choices, Libyan citizens pursued products rather than choose them. On the other hand, their Egyptian counterparts could choose their own consumption but the availability of products in the marketplace was frequently questioned.

In the past, conservative consumption in Libya was widespread due to political conditioning by the old Qaddafi regime. Even though Libyans were well travelled and brought back foreign products, it was the only upper class citizens that could emulate and physically display their consumption practices. As one respondent tells:

‘If you are under a shadow of oppression and only those at the top have money to spend, then of course you will only go for products that are a necessity.’ (33)

Even though attempts were made by the former Qaddafi regime to modernise the marketplace, consumption practices were still skewed by the ruling power. Nonetheless, Libyans were still drawn towards local consumption and tradition. On the other hand, middle and upper class Egyptians used to copiously consume and their consumption practices reflected status and prestige. As captured in the following quote:

‘If you look at say a 4x4 which many people prefer in Egypt like a BMW X5, it would cost you at least a £100,000 [...] the rich as a symbol of wealth like to show that they have westernised goods because westernised goods are meant to be of a higher quality.’ (19)

Respondents remarked that Egyptian citizens also had a tendency to follow consumption practices from the Arab Gulf region:

‘One big reason following the upper-middle class is going to work in the Gulf, so you cannot ignore the influence from the culture [...] because the appearance, image and prestige are so important there.’ (22)

Increasing western influences and an emerging global consumer culture in the Gulf States explains the magnitude of influence that consumption has had on Egyptians and gives reasoning for hedging towards conspicuous consumption.

#### *4.2 Happening- present experiences*

In the present epoch, Egyptians have resorted to tradition in order to reassert their identities and embrace the family unit. Conservative consumption has emerged as citizens’ are pulled away from excessive consumption and have become more ethically conscious and ‘passionate towards others and the poor’ (20). In a similar vein, citizens feel guilty for consuming excessively. This is underscored by the following quote:

‘Poverty is increasing so the guilty feeling of living a good quality of life, spending on unnecessary goods with carelessness is increasing and causing a lot of disappointment all over. I am not enjoying buying stuff and getting things. This doesn't make me happy anymore.’ (5)

Egyptian citizens still have an appetite for foreign products and services but are constrained from engaging in consumption because of the flux. Citizens who used to frequently visit fast food chains and restaurants now prefer to spend more time at home with family and friends. On the other hand,

respondents noted how for some middle and upper class citizens, the revolution has not severely impacted on them and, for such citizens, consuming conspicuously is considered the norm. As explained in the following quote:

‘I think for the high class it doesn't matter for them to have the revolution or not. There hasn't been a revolution for them because they are rich, they have their investments, and they are wealthy. I think they will use non-Egyptian products in all their lives such as clothes, cars and all of their life will be non-Egyptian.’ (25)

In contrast to Egyptians, Libyans’ have abandoned conservative consumption except for in the family environment, where traditional values are maintained. In the marketplace however, Libyans have the flexibility to choose and the increase in salaries has allowed citizens to lean towards conspicuous consumption in order to reflect new social status and forms of acceptance in the marketplace. As several respondents revealed:

‘I have noticed that the whole chain of products coming into the country is changing. Goods are coming into the ports daily instead of monthly [...] Libyans want to spend more now, they want to go out and buy foreign products and spend more time looking for them. Their patterns of buying are changing and they want to make a connection with real brands [in the past] they were stuck with fake brands and had no other choice.’ (32)

‘I think the whole idea of wanting more products goes hand in hand with the success of the revolution’ (42).

In the past, Libyan citizens could not consume conspicuously without attracting unwanted attention from the regime. Analogously, many citizens could not afford to travel abroad for shopping and this explains why in the present epoch, new consumption has been welcomed by citizens, especially following regime change.

#### *4.3 Hopes (future expectations)*

Egyptian respondents expect the trend of conservative consumption to continue into the future. Citizens look to navigate around the flux by using tradition to steer further change. One respondent explained the importance of conservative consumption for the future, especially since in the past and in the present epoch; citizens have leaned towards Marxism and leftist lifestyles:

‘Hopefully people will grow to realise that they are being a bit too libertarian or too middle class on this by shopping in places and prioritising foreign products over so many accessible local products.’ (26)

Whilst Egyptians have trended towards local consumption, Libyan respondents on the other hand, expect more foreign companies to internationalise in the country in the foreseeable future. As underscored by one respondent:

‘There has been a major change in the way that people perceive foreign products now compared to before [in the past] and this shows from their buying habits. It is like wanting something or dreaming of it your whole life and now the dream is becoming reality. We want foreign products and businesses to help expand our country. We do not want to be just like westerners but have the same things that

they do and that is why Libyans have gone mad now with buying foreign consumer products.’ (30)

Amidst the uncertainty and flux, the opportunities to branch out into Libya are considered greater than waiting for a stability epoch to occur. It is through consumption that citizens are using their new found freedoms to find other ways of having and being.

## **5.0 Discussion and Conclusion**

Depending on the state of flux, consumers can be guided by either becoming conspicuous in their consumption or more conservative. Dichotomously, Libyans have transitioned from having conservative consumption practices towards more conspicuous consumption practices in the present epoch. Libyans no longer have to perform to please the state but can actually perform their own roles to match their own consumption aspirations. Therefore, citizens have discovered new ways of having and being (Belk, 1988) and are demonstrating their own consumption practices in a way that was not previously possible. Thus, Libyans are capitalising on new found freedoms and want to consume for status and pleasure, all of which points towards the theme of conspicuous consumption. This is consistent with Veblen's (2009) view of emulation. The findings are also indicative of a growing global consumer culture in the ME similar to the Gulf States (e.g. Saudi Arabia) (Assad, 2007).

In contrast to Libya, Egyptians have shifted towards conservative consumption in an effort to bring families and social circles closer together in a collectivistic manner. This finding complements the current literature (e.g. (Al-Abdin, Dean & Nicholson, 2016; Wong & Ahuvia, 1998; Xiao & Kim, 2009). Coupled with a new found sense of identity, citizens have also used the anchor of tradition to advocate a sense of ethical consciousness towards poorer segments of society. The implications of this research push forward an agenda of consumption practices in a state of flux; something that future research could attempt to examine across other transitional contexts (e.g. the current crisis in Iraq and Syria). In addition, a further direction could be to pinpoint sub categories of conservative and conspicuous consumption.

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