

The Conspicuous Consumption Phenomenon in Saudi Arabia

Alotaibi Mohamed Meteb

Department of Economics, College of Economics and Administrative Sciences, Al Imam Mohammad Ibn Saud Islamic University, Saudi Arabia, email: drmotaibi14@gmail.com

Abstract

With Saudi Arabia's tendency to implement a policy of economic openness to the world from the early 1980s, the phenomenon of conspicuous consumption (society of consumption and imitation) has increased. Due to the adoption of the concepts of economic globalization, changing consumption patterns, tourism and travelling and the spread of multi-national companies which market and promote their products over different mass media, this phenomenon has remarkably gone up. Over time, the effects of this phenomenon have spread to low-income groups, especially young people, and it has been a motive for some young people to earn money illegally to afford it. In addition, banks and financial institutions are providing financial facilities to individuals to finance unjustified conspicuous consumption. This paper aims to identify the concept of this phenomenon at the social, economic and cultural levels. It aims to clarify the most significant factors affecting this phenomenon and its subsequent economic and social effects and risks. Then, it provides suitable recommendations to curb this phenomenon spread in the future. This paper conducted social survey via a sample questionnaire for 300 respondents in three different areas in Saudi Arabia. The survey was conducted during the period from January 2023 till September 2023. It has used also Household Income and Expenditure Survey by General Authority for Statistics (GASTAT) in Saudi Arabia (2007, 2013, and 2018). The results of this paper indicate that social status and the dominance of customs and traditions, bank facilities and installment sales play a major role in increasing the phenomenon of conspicuous consumption in Saudi Arabia. This paper recommends rationalizing conspicuous consumption to reduce its negative economic effects in the future, achieving efficiency in the use of resources, reducing waste, and spreading the culture of saving and investment in Saudi society.

Keywords: Saudi Arabia, consumption theory, rationality, conspicuous consumption, luxury goods.

JEL Classification: D8, D11, D12

1. Introduction

The consumerism, which manifests itself in luxury and extravagancy, is an old phenomenon of the civil development of human society. The economist John Kenneth Galbraith (1958) wrote his book “The Abundant Society” in the middle of last century. He criticized the phenomenon of rushing towards production and encouragement of the artificial goods with the purpose of profitability at the expense of public services. However, under the absence of the values and principles that control the behavioral consumption, it is difficult to curb this issue. Although the consumption behavior depends on the individual and the society purchasing power according to the market laws of supply and demand, it is not only an economic phenomenon but an issue where religious, cultural, psychological, technological, political and social factors are entwined.

Consumption is considered as one of the main variables in the national economy as it is closely related to other economic variables such as production, income, saving, and investment. Consequently, consumption planning and rationalization represents a big push for the national economy and achieving economic development. There are many motives for consumption, some of which are biological and physiological, such as the needs for food and clothing, while some of them are acquired or learned through the environment, with and motive for conspicuous consumption is showing off. Conspicuous consumption is usually in goods and services that are of high value, attractive and visible to others, such as luxury brand clothing, jewelry, accessories, cars, telephones, restaurants, home decorations, tourism trips, wedding parties, personal celebrations, etc. There are multiple aspects and fields of conspicuous consumption as its shapes differ according to its affecting factors. The psychological factors are considered as chief reasons and justifications behind the conspicuous consumption pressures prevailing in the society in order to compensate the deprivation and inferiority complex of having things and properties that were not satisfied during the childhood stage (the culture of imitating others and dependence). The current capitalist economic system has contributed significantly to creating a culture of conspicuous consumption (Assimos et al., 2019).

The conspicuous consumption phenomenon is related to the consumption of certain goods that are not valued for their properties, but for the status and social prestige they represent. The conspicuous consumption is considered as spending on complementary sometimes unnecessary goods. It is characterized by extravagancy with the intention of showing off to compensate for a particular social shortage. Therefore, it is considered as absorption of resources and income; as it is spending without return (Bukhari et al., 2021).

Consumers with higher income and net worth often spend disproportionately more on luxury goods (Varian, 1992). As a result, owning luxury goods visible to others could signal about one's income or wealth status. If consumers find satisfaction from being perceived as higher status, they may purchase more luxury goods than they otherwise would have (Bain & Company, 2018). Large spending on luxury goods could be particularly concerning for low-income consumers because more spending on conspicuous luxury goods often implies that they must cut back on consumption of inconspicuous necessity goods, reduce savings, or accumulate additional debt that can be financially costly, particularly for consumers with low credit scores (Ait-Sahalia et al., 2004).

The spread of economic globalization, modern means of communication and technology, the rise of multinational companies, and rapid global economic growth played a fundamental role in exporting the culture of consumption by transferring that culture from advanced capitalist countries to developing countries, as well as increasing openness to the outside world and other cultures. In recent decades, Saudi society has witnessed rapid development in all areas of daily life, especially after the economic boom resulting from the discovery of oil and the emergence of multiple new patterns of consumer behavior (Alqahtani et al., 2024).

With Saudi Arabia's tendency to implement a policy of economic openness to the world from the early 1980s, involvement in the economic globalization, the rise in income levels, external migration, in addition to the travel and tourism of some Saudis to Western countries and America, have led to the creation of new patterns of consumption through imitation and simulation and the spread of the phenomenon of conspicuous consumption as a result of the "Viewing effect" of consumption patterns in the Western countries. All of this has contributed to changing consumer habits and increasing the consumer tendency to the point of addiction and creation of a consumer society concerned with transforming basic goods into luxury goods.

The phenomenon of conspicuous consumption has increased significantly for the purpose of showing off and showing social and economic status. This consumerist trends, the change of consumption patterns and the transfer of the culture of consumer patterns from Western countries and America to the markets of developing countries, including Saudi Arabia, has led to the creation of a large social gap between those who have and those who do not have access to it, in addition to dissolving the global differences through the dominance of the culture of capitalist consumption, and opening the markets of developing countries to the products of multi-national companies, which promote their products through attractive commercial advertisements, thus spreading the conspicuous consumption culture, which has contributed to the consolidation of the phenomenon of economic dependence on the outside world and the negative impact on national industries.

With the recently growing increase of the conspicuous consumption phenomenon, its bandwagon effects have started to move to the low-income groups, particularly youth unaware of its risks. It was a motive for some youths to earn money through illegal activities to stratify their conspicuous consumption desire. In addition to the role played by the banks and financing institutions through provision of financial facilities for individuals by lending to finance unjustified conspicuous consumption. The result is dumping the Saudi families into long-term debts.

The Saudi Arabian Monetary Agency's annual report in 2022 indicated that the total accumulated debts on Saudi families resulting from consumer loans and credit cards amounted 474.6 billion SAR, compared to about 447.9 billion SAR in 2021, with an increase rate of 6% over the previous year. It is noted that females in Saudi Arabia spend more on conspicuous consumption than males due to their interest in appearance, beauty and cosmetics, in addition to customs and traditions that females do not bear the burdens and expenses of supporting the family compared to males. For instance, the total spending of women in Saudi Arabia on cosmetics exceeds \$1 billion annually.

The conspicuous consumption in Saudi Arabia is embodied in limitless spending on clothes, food, housing, jewelry, decoration, furniture, electronics, mobile phones, luxurious schools and universities, celebrations, banquets, transportation and travel, and others. Additionally, there is a phenomenon of the elite communities in Saudi Arabia (the closed compounds communities, luxurious tourist resorts with their palaces, villas, gardens, swimming pools, sports courts, recreational centers, golf courts, horse riding and races). In addition, the spread of malls and shopping centers that have foreign brands and their related conspicuous, consuming and investing style of extravagancy, does not suit a developing country in a dire need for effective investment to increase its productive wealth and provide job opportunities for the unemployed (Abdel-Fadeel, 2012).

Therefore, it can be said that the luxurious conspicuous consumption in Saudi Arabia has recently become not less dangerous than the psychological danger of addiction to alcohol or drugs. In addition, there is a spread of the spontaneous purchasing phenomenon through buying conspicuous goods which the buyer has not planned to buy before entering the shopping venue (Kamal, 2007).

The phenomenon of conspicuous consumption in Saudi Arabia has led to increased rates of economic inflation and illegal earnings in attempts to achieve fast wealth. Consequently, the Saudi economy has faced many problems, the most important of which are increased rates of inflation, unemployment and reliance on imports.

Global statistics conducted by Bain & Company (2018) indicate that the volume of global spending on luxury goods and services in 2018 amounted to approximately € 1.2 trillion, with an increase rate of about 5% compared to the previous year, as shown in Figure A1.

Survey by the General Authority for Statistics in Saudi Arabia on Household Income and Expenditure indicate (as shown in Table 1 and Figure A2) that the average monthly income of Saudi household in 2018 reached SAR 14,823 compared with SAR 13,610 in 2013 and SAR 14,084 in 2007, with an increase rate of 8.9% and 5.2% respectively. The average monthly income per capita in 2018 reached SAR 2,741 compared with SAR 2,262 in 2013 and SAR 2,273 in 2007, with an increase rate of 21.2% and 20.6% respectively. This result is in agreement with the highest percentage (34%) of the sample of this paper with regard to the average monthly income per capita in 2023. The average monthly consumer expenditure of the Saudi family in 2018 amounted to SAR 16,125 compared with SAR 15,367 in 2013 and SAR 13,251 in 2007, with an increase rate of about 4.9% and 21.7% respectively. The average monthly expenditure per capita in 2018 reached SAR 2,857 compared with SAR 2,554 in 2013 and SAR 2,138 in 2007, with an increase rate of about 11.9% and 34.5% respectively. Average household size decreased from 6.2 in 2007 to 5.7 in 2013 and then to 4.8 individuals in 2018 as a result of the effects of inflation, rising prices and unemployment. Percentage of monthly household expenditure on food and beverages in 2018 represented 16.3% compared to 16.9% in 2013, with a decrease rate of about -3.6%. Note that monthly consumption expenditure does not include expenditure on purchase of shares, purchase of buildings, land, mortgage installments, marriage dowry, loans and gifts to others, transfers to dependents, etc. The results of the Saudi Household Income and Expenditure Survey in 2018 indicated that conspicuous consumption represents about 17.6% of the sample size (24996 Saudi household), and the most popular conspicuous consumption items were luxury brand clothing and accessories, home decorations, food and drinks, jewelry, perfumes, cars, phones, and parties and personal celebrations. Statistics from the results of the field survey in the digital transformation program in Saudi Arabia in 2020 indicate that the percentage of food waste in Saudi families reached about 33.1%.

Table 1: Indicators of Saudi household Income and Expenditure (2018) Compared to 2007 and 2013

Indicator, SAR	2007	2013	2018
Average Household Monthly Income	14084	13610	14823
Average Per-capita Monthly Income	2273	2262	2741
Average household Monthly expenditure	13251	15367	16125
Average Per-capita Monthly Expenditure	2138	2554	2857
Average household size (Number of individuals)	6.2	5.7	4.8
Percentage of Monthly Household Expenditure on Food and Beverages	16.6	16.9	16.3

Source: General Authority for Statistics (GASTAT), Household Income and Expenditure survey in 2007, 2013, 2018

Table 2 and Figure A3 show that the average monthly consumer expenditure of the Saudi family in 2018 amounted to SAR 16,125, with the highest share of Saudi household monthly expenditures spent on housing, water, electricity, gas, and other types of fuel with SAR 3,616, followed by personal services and goods which reached SAR 3,605. The lowest amount of Saudi household monthly expenditure was spent on tobacco with SAR 50 per month. Table 2 shows also that the highest levels of Saudi per capita expenditure are spent on housing, water, electricity, gas, and other types of fuel which reached SAR 607 per month, followed by personal goods and services with SAR 575 per month. While tobacco has exhibited the lowest level of Saudi expenditure with an average of SAR 10 per month.

The data in Table 3 and Figure A4 indicate that the real GDP achieved a growth rate of 4.8% in 2022 compared to the previous year 2021. The real GDP also achieved a growth rate of 8.5% in 2021 compared to 2020, which witnessed a decrease of -7.4%. This increase resulted from the economy's recovery from the COVID-19 crisis, the growth of oil production at a rate of 15.4%, the growth of non-oil production at a rate of 6.1%, and Saudi Arabia's move towards a policy of diversifying economic activities and sources of income and reducing dependence on natural resources. The per capita share of the GDP at current prices reached SAR 129,203 in 2022, with a growth rate of 21.3% compared to the previous year. The data also indicate an increase in private final consumption expenditure in 2022 with a growth rate of 7.3% compared to the previous year 2021, as the percentage of Saudi private final consumption

expenditure reached 47.7% of the GDP in 2022. With the increase in the individual's income and wages, and the spending on goods and services and the aggregate demand increases, it supports economic growth and the private sector's contribution to the GDP and improves economic performance. Expenditure on GDP also increased in 2022 by 5.3% compared to 2021, which leads to an increase in production and consumption, and thus an increase in the aggregate demand for goods and services and avoidance of economic recession.

Table 2: Average household monthly expenditure and per capita by main expenditure groups in 2018

Main Expenditure Groups, SAR	Average of Expenditure in SAR	%	Average Per Capita in SAR	%
Food And Beverages	2621	16.3	516	18.1
Tobacco	50	0.3	10	0.3
Fabric, Apparel and Footwear	599	3.7	116	4.1
Housing, Water, Electricity, Gas and other Fuels	3616	22.4	607	21.3
Home Furnishing	1048	6.5	180	6.3
Health	225	1.4	39	1.4
Transportation	1992	12.4	370	13.0
Telecommunications	827	5.1	160	5.6
Entertainment and Culture	460	2.9	84	2.9
Education	358	2.2	66	2.3
Restaurants and Hotels	726	4.5	133	4.6
Personal Goods and Services	3605	22.4	575	20.1
Total	16.125	100.0	2.857	100.0

Source: General Authority for Statistics (GASTAT), Household Income and Expenditure survey in 2018

This paper aims to identify the concept of conspicuous consumption phenomenon and its social and economic aspects. It also aims to indicate the effective factors of the increasing tendency towards the conspicuous consumption phenomenon in Saudi Arabia, and the subsequent negative economic effects of this phenomenon. Then, it provides suitable recommendations to curb this phenomenon in the future.

Table 3: GDP and some national Accounts in Saudi Arabia during the period (2010-2022)

Years	GDP at Current Prices, SAR Million	GDP per capita at current prices, SAR Thousand	Private Final Consumption Expenditure at Current Prices Value in SAR Million	Expenditure on GDP at current prices in SAR Million
2010	1960.874	82.606	639.417	1827.522
2011	2193.365	101.124	681.762	2046.192
2012	2230.840	106.307	785.404	2192.130
2013	2485.481	102.338	833.287	2799.168
2014	2645.328	101.549	876.256	2836.075
2015	2453.512	84.201	988.807	2510.566
2016	2418.508	80.684	1090.457	2497.500
2017	2582.198	86.555	1135.644	2553.088
2018	2949.457	105.135	1201.241	2718.554
2019	2973.626	104.598	1267.819	2835.748
2020	2753.625	87.268	1218.217	2671.016
2021	2978.251	106.485	1387.364	2839.990
2022	3120.245	129.203	1488.925	2989.803

Source: General Authority of Statistics (GASTAT) in Saudi Arabia, Statistical Yearbook

The paper's methodology has relied on the quantitative descriptive analytical technique besides the use of the social random-sampling survey via a questionnaire form conducted for 300 individuals from Riyadh and Mecca provinces. The sampling represents high social classes in the areas of Al-Sahafa and Al-Awaly with 200 representatives, intermediate areas (Ateeqa, Al-Aziziyah) and low-income groups (Al-Hajoun and Hosh Bakr) with 50 representatives for each area. The aim is to identify the conspicuous consumption phenomenon in Saudi Arabia during the period from January 2023 till September 2023. It has used also Household Income and Expenditure Survey by General Authority for Statistics (GASTAT) of Saudi Arabia (2007, 2013, and 2018). The study has used certain statistical techniques to analyze the collected data from the investigated sample.

The paper assumes that social, economic, cultural and media factors have different effects on the conspicuous consumption patterns in Saudi Arabia. In addition to the installment selling, income and increase of imports, Value added tax (VAT) decrease and custom duties are factors leading to the increase of conspicuous consumption in Saudi Arabia.

This paper is divided into six sections. The first section presents the introduction, objectives, hypotheses, methodology and the research structure. The second section provides the literature review. The third section describes the methodology and data. The fourth section deals with discussions and results. The fifth section provides the research findings and recommendations. Finally, the sixth section presents the research conclusion.

2. Literature Review

While the paper investigates the phenomenon of conspicuous consumption in Saudi Arabia, past literature provides different microeconomic approaches regarding the factors which have different effects on the conspicuous consumption patterns in Saudi Arabia. The most important studies that have focused on studying this phenomenon in Saudi Arabia are Rajaa et al. (2024); Abdel-Al (2022); Bukhari et al. (2021); Al-Suhaibani (2020); Abd El et al. (2000).

Study of Rajaa et al. (2024): Social and Economic Factors of Conspicuous Consumption in Saudi Society. This study aimed to identify the dimensions of the phenomenon of conspicuous consumption in Saudi society, and then identify the most influential factors, and determine the relationship between the factors affecting conspicuous consumption and demographic variables. The study relied on the quantitative and qualitative approach as well as the social survey approach through an electronic questionnaire for 461 respondents from different regions of Saudi Arabia. The case study approach was also used through a semi-structured interview for 7 participants. The study analyzed this phenomenon using the conflict theory, as capitalism contributed to creating a culture of conspicuous consumption. The study concluded that family traditions on occasions are the most influential social factor in increasing the rate of conspicuous consumption. Also, bank facilities and loan facilitation are the most important factors that led to the spread of this phenomenon from macroeconomic perspective. Also, there is no statistically significant relationship between bank facilities and loan facilitation as an economic factor that increases conspicuous consumption and the monthly family income in Saudi Arabia.

Study of Abdel-Al (2022): Factors Affecting the Conspicuous Consumption of Saudi women. This study aimed to identify the factors affecting the conspicuous consumption of Saudi women in order to rationalize the consumption. The study relied on the social survey method by designing a questionnaire for a simple random sample of 200 female students

at the College of Arts at King Faisal University in Saudi Arabia. The study concluded that there is a group of factors affecting conspicuous consumption, as social factors came in first place, then economic factors, and finally media factors. The results of the study also indicate that there are significant differences between the factors affecting conspicuous consumption according to the different study variables (place of residence – family income – family size).

Study of Bukhari et al. (2021): *Conspicuous Consumption of Luxury Goods in the Kingdom of Saudi Arabia: An Applied Study on the City of Jeddah*. This study aimed to analyze the conspicuous consumption of luxury goods in Saudi Arabia. To achieve this, the descriptive analytical approach was employed to describe the phenomenon, review the theoretical and applied literature, and come out with the most important motivations for this type of consumption. In addition, a questionnaire was distributed to 712 individuals in Jeddah city. Through analyzing the consumption function to measure the effect of disposable personal income alongside gender, marital status, age, educational level, and employment status on the consumption of luxury goods. The results indicated that the disposable personal income is a major determinant of luxury goods consumption. The study concluded that economic rationalization requires more social awareness to distinguish between what is necessary and luxury, and between productive consumption and conspicuous consumption. Consequently, the study recommended the necessity of raising the level of awareness in order to rationalize consumption and the importance of saving and investment.

Study of Al-Suhaibani (2020): *The Social Factors Related to Girls' Attitude towards Conspicuous Consumption, Field Study on Qassim University Students in Saudi Arabia*. This study aimed to identify some of the social factors related to the girls' attitude towards conspicuous consumption. These factors represent place of residence, the prevailing pattern of consumption among family members, the education level of parents and the occupation of parents. This study relied on the social survey method and questionnaire as a tool to collect data. The sample consisted of 216 Qassim University female students. The study reached several results, namely that the trend of the sample towards conspicuous consumption is "weak", in addition to the absence of a relationship between the trend towards conspicuous consumption and each of the examined factors (place of residence, the prevailing pattern of consumption among family members, the education level of parents, the occupation of parents). The study highlights the importance of maintaining low conspicuous consumption by spreading awareness by educational institutions, media and others.

Study of Abd El et al.(2000): *An Economical Study on Consumption Patterns of Saudi Women in Al Ehsaa Governorate*. This study aimed to identify consumption patterns of Saudi

women based on purchase motivations, methods of buying, major expenditure items of Saudi household. Besides, it aims at studying impacts of major social and economic factors affecting buying motivation. To achieve the research objective, a questionnaire including data pertaining cultural, social and economic characteristics of the examined individuals has been designed. The questionnaire has been circulated among 300 Saudi households' sample. Results of the study indicate that 77.3% of the examined households used not to pursue an expenditure budget. Relationship between previous variables and budget planning and consumption rationalization show significant relationship between women's level of education and consumption rationalization. The study recommended encouraging a culture of saving and investment and reducing conspicuous consumption through media awareness and social and economic seminars.

In a purely economic sense, a luxury good is a good for which demand increases as income rises and a good that has a high income elasticity of demand. This means that when people become wealthier, the demand for luxury goods increases. This also applies vice versa, which means that when there is a decline in income, the demand decreases. But when the economy is in recession, the demand for luxury goods does not drop drastically due to the consumer loyalty and virtually constant spending power of the high-net-worth consumers. However, these consumer characteristics are only applicable to the highest income segment of the consumers. Sometimes, luxury goods are also referred to as "Veblen goods".

"Veblen goods" are goods for which people's interest is higher as a direct result of their high price level. The Veblen effect states that when the prices of these Veblen products decrease, the amount of purchases of the products also decreases because they are no longer seen as exclusive or luxury products. Because consumer directly links high prices to exclusivity and luxury, a price increase can cause an increase of the demand (Bagwell and Bernheim, 1996).

Uche (2007) indicated that the definition of luxury goods may be a subjective one, but almost everybody associates luxury goods with terms like exclusivity, high quality, prestige and high pricing. Products and services that are perceived as luxury are always seen as goods of better quality, design, lifetime value and performance than their comparable substitutes on the market. There are also goods that are perceived as luxurious by the public because of their intangible product characteristics: being a high-status symbols, displaying personality, prestige and superiority. This is caused by the added emotional benefits that people get by buying and owning certain products. These added emotional benefits are caused by the fact that not everybody can afford luxury goods, so consumers of luxury goods automatically belong to an exclusive group of people who are able to afford these pricey items. These kinds of goods commonly include exclusive goods like luxury cars, jewelry, clothes, accessories.

Caserta (2009) indicated that the way the term luxury is defined is directly linked to the income level and spending power of the person who is using the term. People use many indicators to define which goods belong to the luxury category. The most commonly used initial indicator is price. If a product is located in the highest price segment of the market, it is almost automatically seen as a luxury good. There are also other indicators of luxury than price like: quality, design, durability and performance, but price is the most commonly accepted initial indicator of luxury.

Danziger (2006) identifies three main categories of luxury goods: the home luxury goods, personal luxury goods and the experiential luxury goods. Home luxuries include goods like art, antiques, electronics and furniture. The personal luxuries category include clothing, cosmetics, handbags or shoes, and cars. The last category of experiential luxury goods consists of mostly services like dining, entertainment, and travel. It is also impossible to define what is each luxury product because every product category on the luxury market needs a different economic approach.

Ali (2013) explained that the conspicuous consumption behavior is generally divided into *the usual conspicuous consumption*: that is, the reasonable and normal spending according to the conspicuous behavior criteria prevailed in the society and according to their financial ability. *The extravagant or luxurious conspicuous consumption*: the unusual and extravagant qualitative and quantitative spending due to imitation which does not suit the person's financial ability; it may lead the individual or the society to psychological and social problems.

Kazem (2006) also indicated that the conspicuous consumption, which reflects a psychological stimulus of satisfying moderate necessary needs, turns to increasing form of consumption extravagancy. The conspicuous consumption might be related to social stimuli such as the desire to cope with the social style regardless of the financial and social classes' difference among the individuals.

Al-Romani (2014) points out that the behavior of conspicuous consumption increases as a means of joining the higher classes of the society, and this constitutes pressure on some families at the social, economic and financial level.

Veblen, snob and bandwagon effects in the theory of consumer demand.

The Veblen effect: American economist and sociologist Thorstein Veblen (1857–1929), after whom the Veblen effect was named, described this kind of purchase behaviour in his theory of conspicuous consumption “The Theory of the Leisure Class”. Veblen (1899) used the term

conspicuous consumption to describe the consumer characteristic of a new class of wealthy consumers that emerged in the 19th century. The concept of conspicuous consumption describes the elaborate spending on goods and services that are purchased only for fulfillment of psychological expectations and emotional needs. Consumers buy these Veblen goods to display their wealth, status and superiority to society (Wood, 1993). Conspicuous consumption is also described as being status-seeking consumption. The Veblen effect tries to explain the demand for status goods in economics.

Leibenstein (1950) suggested three types of effects based on the demand for products: the bandwagon effect, snob effect, and Veblen effect. All these three effects can be differentiated based on the desire to consume (or not to consume) certain products or brands.

The snob effect: this effect explains the preference for status goods because they are exclusive and not easily obtained. In other words, consumers buy an item because of its high quality and scarcity value. The snob effect reflects the desire of consumers to be exclusive and states that the scarcity of a product stimulates the demand. The “snob effect” contrasts to most other microeconomic models, in that the demand curve can have a positive slope, rather than the typical negatively sloped demand curve of normal goods.

On the other hand, snob purchases of any product will decrease as other consumers increase their consumption of that particular product. These goods usually have a high economic value, but low practical value. The less of an item available, the higher its snob value. Examples of items with general snob value are rare works of art, designer clothing, and cars. Collectors within a specific field can suffer from snob effect, searching for the rarest and often most expensive collectibles. Such examples are classic automobiles, stamps and coins. The desired effect can often be achieved by purchasing a less-expensive version from a reputable brand (Belhaj, 2018). The snob effect also refers to the preference for goods because they are different from those commonly preferred; in other words, for consumers who want to use exclusive products, price is quality.

The bandwagon effect: this effect explains the demand for status goods by stating that people purchase goods and services in order to be identified with a particular social group by adopting identical or similar patterns of consumption. This theory represents the desire of people to belong to a group and in this respect contrasts most with snob effects (Mason, 1992). This effect is noticed and followed very much by youth, where, for instance, if people see many of their friends buying a particular phone, they could become more interested in buying that product (Nadeau et al., 1993).

When individuals make rational choices based on the information they receive from others, economists have proposed that information can quickly affect how people decide to ignore their personal information signals and follow the behavior of others. Bandwagon effect describes interactions of demand and preference. The bandwagon effect arises when people's preference for a commodity increases as the number of people buying it increases (Gisser et al., 2009). This interaction potentially disturbs the normal results of the theory of supply and demand, which assumes that consumers make buying decisions solely based on price and their own personal preference. Becker (1974) has even argued that the bandwagon effect could be so strong as to make the demand curve slope upward.

The Giffen goods: ones for which observed demand rises as price increases, but the effect arises without any interaction between price and preference. It results from the interplay of the income effect and the substitution effect of a change in price. The theory of consumer demand suggested that consumers desire goods in order to either conform to their peer group or maintain their exclusiveness from the rest of others (Amaldoss and Jain, 2005; Brewer, 1991).

According to Leibenstein (1950), "Bandwagon, snob, and Veblen effects in theory of consumer demand," he classified consumer demand for commodities into functional and non-functional. Functional demands represent the existence of demand due to the inherent qualities of commodities, whereas non-functional demands represent demand rising due to factors other than the qualities and inherent characteristics of commodities. This differentiation is rooted in Veblen's (1899) initial work on the conspicuous consumption of luxury products. His point was well supported by Leibenstein (1950), who highlighted the non-functional motivations (factors other than quality of products) for consumption of products.

Ross et al. (1976) pointed out that consumers consume luxury products due to the bandwagon effect in order to conform to others who also consume those products. Amaldoss and Jain (2005) made a contradicting argument that consumers who purchase luxury brands demonstrate their need to be unique from others, reflecting the snob effect. On the contrary, the conceptualization of snob effect by Leibenstein (1950) pointed out that if the demand for goods increases, then individuals with snob effect may not want to consume those goods. Individuals with snob effect value luxury brands less if their demand is high in the market (Amaldoss and Jain, 2005). Thus, consumers who adhere to the snob effect may not be interested in counterfeit brands due to lower uniqueness associated with these brands. On the contrary, consumers who believe in bandwagon effect may like to purchase a counterfeit version of a famous luxury brand since they want to be similar to their peers or social groups.

Despite recent global economic recession starting in 2008, luxury goods have maintained their popularity as some of the most popular products in the world, while the sales of other goods have fallen significantly. Recent developments on the luxury market have created a different competitive setting. As a result of diversification strategies of several luxury goods brands, most of them have extended to more accessible luxury products (Seung, 2012).

The traditional luxury consumer, called the “leisure class” by Thorstein Veblen, does no longer just consist of the super rich and aristocracy. Due to the globalization of the world economy and the growing wealth, the leisure class has been joined by the newly rich and occasional customers from the middle class, which now also are a part of the luxury consumer base. Furthermore, the traditional geographical markets for the luxury goods industry have changed because of the increasing demand for luxury goods products from developing countries.

In the light of the early mentioned studies, the supply and demand theory loses its credibility in reality as the aspects of social position and richness lead to further purchase of these conspicuous goods whenever their prices rise up in what is known as Veblen goods, while their demanded quantities decrease whenever their prices go down in a contrast to the conventional economic theory.

3. Data and Methodology

The research methodology relies on the quantitative descriptive analytical technique besides the use of the social random-sampling survey technique via a questionnaire form comprised of 300 individuals from Riyadh and Mecca provinces. The sampling represents high-social classes in the areas of Al-Sahafa and Al-Awaly with 200 respondents, intermediate areas (At-eeqa, Al-Aziziyah) and low-income groups Al-Hajoun, Hosh Bakr) with 50 respondents for each area. The aim is to identify the conspicuous consumption phenomenon in Saudi Arabia during the period from January 2023 till September 2023. The study has used certain statistical techniques to analyze the collected data from the investigated sample. Table 4 and Figure A5 shows the results analysis of the primary data of the investigated sampling in Saudi Arabia.

Table 4: Results analysis of the primary data of the investigated sampling in Saudi Arabia

Features	statement	number	%
1. respondents distribution according to gender:	Male	180	60
	Female	120	40
	Total	300	100
2. respondents distribution according to age:	15–25	69	23
	26–36	111	37
	37–47	66	22
	48–58	33	11
	59–69	21	7
	Total	300	100
3. respondents distribution by educational level:	Literacy	1	0.4
	Read and write	6	2
	Average education (primary-preparatory-general secondary)	140	46.6
	University	144	48
	Post-graduate studies (Master degree and Ph.D.)	9	3
	Total	300	100
4. respondents distribution according to marital status:	Single	93	31
	Married	192	64
	Divorced	9	3
	Widow	6	2
	Total	300	100

5. respondents distribution according to profession:	Public sector staff	33	11
	Private sector staff	111	37
	Retired	12	4
	Student	138	46
	Housewife	6	2
	Total	300	100
6. respondents distribution according to housing area:	High	200	66.6
	Intermediate	50	16.7
	Popular	50	16.7
	Total	300	100
7. respondents distribution according to housing property:	Possessed	258	
	Rent	42	84
	Total	300	100
8. respondents distribution according to demographic origin:	Rural	48	16
	Urban	252	84
	Total	300	100
9. respondents distribution according to monthly income in SAR	Less than SAR 500	2	0.6
	SAR 500–1000	9	3
	SAR 1001–2000	16	5.4
	SAR 2001–3000	102	34
	SAR 3001–4000	93	31
	SAR 4001–5000	48	16
	SAR 5001–10000	24	8
	More than SAR 10000	6	2
	Total	300	100

Source: author's calculations

Based on Table 4 and Figure A5, the following research results were achieved:

As for respondents' distribution according to gender, the male respondents' rate is 60% while that of female respondents is 40%. As for respondents' distribution according to age, the 26–36 age category rate has the highest rate with 37%, followed by 15–25 age category rate of 23%, while the lowest rate is that of the 59–69 age category estimated at 7%, followed by the 48–58 age category rate estimated 11%.

As for respondents' distribution according to the marital status, the married respondents rate is 64%, single respondents rate is 31%, while the rates of divorced and widow respondents are 3% and 2% respectively.

As for the respondents' distribution according to the educational level, the university graduate respondents rate is 48%. The intermediate educated respondents (primary – preparatory – general secondary) rate is about 47%. The post-graduate studies respondents' rate of about 3%. The rate of those respondents who can only read and write is about 2%. There is only one literate case among respondents. This is attributed to the fact that most of the sample are selected from high-income areas.

As for respondents' distribution according to profession, the highest rate of 46% is among students, followed in the second place by private sector staff with 37%. Then, the public sector staff is 11%, followed by the retired respondents with 4%. Finally, the housewives' rate is 2%.

As for the respondents' distribution according to housing property, 86 of respondents live in their own houses and the rest lives in rented houses.

As for respondents' distribution according to the demographic origin, 84% of respondents have urban origin; 16% come from rural areas.

As for respondents' distribution according to monthly income, 34% of respondents' income ranged from SAR 2000–3000, followed by 31% of respondents whose monthly income ranges from SAR 3000–4000, while 16% of respondents' monthly income ranges from SAR 4000–5000. In addition, 9% of respondents' monthly income range from SAR 500–1000, the rate of respondents' monthly income ranges from SAR 5000–10000 is 8%. Finally, the rate of those respondents whose monthly income exceeds SAR 10000 is only 2%.

4. Results and Discussions

The collected research data was analyzed in order to realize this paper objectives. These data are collected through a questionnaire to identify the conspicuous consumption phenomenon in Saudi Arabia as shown in Table A1. The results are as follows:

Question No.1 results: the rate of 71.75% of respondents does not have adequate wealth to spend on the conspicuous consumption goods, while 28% of them have that wealth. This rate ranges from males and females as the rate of females who are unable to spend on the conspicuous goods consumption is 79.2% compared to 66.7% for males. This is a normal thing as males are more concerned than females with family spending.

Question No.2 results: they indicate that 66.7% of respondents have the desire to spend a large portion of their income on the conspicuous goods consumption while 33.3% of them do not have that desire. This is attributed to social and psychological factors related to the desire to satisfy the possession of luxury goods. They also indicate that 65.5% of males have the desire to spend a large portion of their income on the conspicuous consumption while 34.5% do not have that desire. The rate of females who have that desire is about 68.3% compared to 31.7% of them who do not have that desire. This is attributed to the females' possession desire and to highlight the aesthetic appearance and shape.

Question No.3 results: they indicate that 88.4% of respondents prefer not to obtain banking loans or borrow from friends to spend on the conspicuous goods, while 11.6% of them tend to have loans and get into debt from others to spend on these goods. This is attributed to the fear of others' criticism and is known as the provocative stigma style of the person who borrows to spend on conspicuous needs. It can be said that the indebtedness culture is not a strong effective factor of the conspicuous consumption increase.

Question No.4 results: they indicate that 65% of respondents do not think that installment selling of conspicuous goods lead to increase the purchasing stimuli, while 35% believe that it is considered as one of the main stimuli, particularly for those who do not have the financial purchasing power. This is attributed to the increased number of shopping venues that adopt the installment selling system and the economic stagnation condition, while the cash payment is restricted to the high-income groups. On the contrary, the low-income groups may wish to have things based on installment system in order to satisfy their deprivation desire and cope with the conspicuous consumption pattern.

Question No.5 results: they indicate that 87% of respondents do not buy goods except when they actually need them, while 13% of them do otherwise. This is attributed the social prestige and boasting associated with buying useless goods such as presents, antiques and others as they are considered as social glamour.

Question No.6 results: they indicate that 64.6% of respondents do not prefer the good appearance over its quality when deciding to buy, while 35.4% of them prefer the apparent shape of the good over its quality. This is attributed to accurate calculation of the buying decision and

non-spending money on goods with poor quality. This entails collecting adequate information on the good before buying it under the worse economic condition and the decline of income levels for a large category of Saudi people.

Question No.7 results: they indicate that 82.4% of respondents do not buy goods just for their attractiveness, while 17.6% do. They buy goods which they did not plan to buy before entering the shopping store, but the good's attraction and glamour are the main stimuli for buying them. This rate increases among females as compared to the males as females rate in this regard is 28.4% as compared to 10.6% for males. This is attributed to females' higher preference over the formal and attractive aspects and the desire to compete with others.

Question No.8 results: they indicate that 83.5% of respondents prefer to hold their wedding parties in luxurious halls, while 16.6% do otherwise. This is attributed to reasons related to boasting and showing off, hospitality, and lessening of the family's exhaustion in the case of holding the party at the family house. The percentage of females in this concern is 91.7% as compared to 77.7% for males. The rising number of females is attributed to the consistency between the females' nature, shape, sense, aesthetics and competition with others and the subsequent psychological and social functions of females' passion as compared to that of the males.

Question No.9 results: they indicated that 85.7% of respondents prefer to inform their friends and colleagues about the characteristics of the conspicuous goods which they have bought, while 14.3% do not do that. This is attributed to emphasizing the social prestige, show the spending desire to indicate generosity besides urging others to buy such goods to prevent envy. The rate of females in this concern is 93.3% as compared to 80.5% for males. This is attributed to the females' desire of boasting and showing off before others and their desire to prove their aesthetic abilities for them. The reasons behind not informing others about the bought goods' characteristics is attributed to fear of others' envy and the desire not to inform others about their privacy.

Question No.10 results: they indicate that 16.3% of respondents prefer the appearance and general shape of house among their priorities in conspicuous goods, followed by 14.7% for housing furniture, 13.6% for food type, then well-known brands of cars, clothes and cosmetics at the fourth place with 9.7% each respectively. At the fifth place comes the golden jewelry with 7%, followed by children education at international private schools at the sixth place with 5.4% followed by the mobile brand at the seventh place with 4.7%. Then, at the eighth place there are antiques, expensive presents and holding banquets and parties with 3.3% each. Finally, well-known club membership and overseas traveling come at the tenth place with 1.7% and 1% respectively. The order and priority of these conspicuous goods differ among males and females

as the housing aspect has 18.3% among the males at the first place, while cosmetics and accessories have 15.8% among females at the first pace. The housing furniture has 17.2% for males at the second place, while food has 15% among the females at the second place. The rate of car brand is 13.4% among the males at the third place. The rate of jewelry is 14.1% for the females at the third place as shown in Table 2.

Question No.11 results: they indicate that the social prestige and dominance are considered as some of the most important stimuli of conspicuous consumption of goods and things, constituting 33.7% of respondents, followed by 17.3% out of coping up with fashion and imitating others. Then, they are followed by 14.7% for the boasting and showing off as stimuli for buying, followed by the factors of income increase and the economic condition improvement and the desire to be distinguished from others by 6.7% each. The means of advertisement, promotion and marketing for the conspicuous goods are effective factors with 6.4%, followed by factors related to feeling bored of buying old things and desire to buy new things and the other people's advice to buy conspicuous goods with 3.3% each. The rate of attraction and appearance of displayed goods is 2.6%, then old things expiry and the desire to change them with 2.3%, then the psychological conditions and their effects on the purchasing decision with 2%. Finally, the rate of overseas travel experience is 1%.

The order and significance of these factors effect on the purchasing decision of these goods among males and females as they are both equal in terms of the social prestige and dominance which have the first place by 35.5% for males and 30.8% for females. Boasting and showing off comes at the second place for males with 20%, while fashion and imitating others come at the second place for females with 20.8%, which comes at the third place for males with 15%. Meanwhile, the desire to be distinguished from others and the effect of advertisement come at the third place for female and males with 9.2% as shown in Table 2.

Question No.12 results: they indicate that 54.6% of respondents believe that spending on necessities is more important than spending on the conspicuous goods, followed by 20.7% that believe that the declined annual income and worse economic condition are the main reasons behind non-spending on the conspicuous goods. 9% of respondents believe that the factor of envy and disgust are the main reasons behind non-spending on the conspicuous goods. Meanwhile, 8.4% of respondents believe that the religious factors restrict spending, extravagancy and squandering on the conspicuous goods. Finally, 7.3% of them believe that the instability of security conditions and the spread of thefts and forcing kidnapping are among the reasons behind non-spending on the conspicuous goods that may tempt others.

The order and significance of these factors' effects on the non-spending on the conspicuous goods among males and females is equal for both males and females at the first place with 63.3% for males and 41.7% for females. Then, the factor of low income comes at the second place for males and females with 16.7% for males and 26.7% for females. The religion factor and its effect on non-spending on the conspicuous goods has the third place for males with 11.2%, while fear of envy comes at the third place for females with 16.7%. Meanwhile the instability of security conditions has the fourth place for both males and females with 5% for males and 10.8% for females. Finally, fear of envy comes at the fifth place for males with 3.8%, while the religion factor comes at the fifth place for females with 4.1% as shown in Table 2.

5. Findings and Recommendations

In the light of what has been early mentioned, the conclusions are as follows:

- The social prestige and dominance have a clear effect in the stimulus increase towards the conspicuous consumption phenomenon in Saudi Arabia.
- 66.7% of respondents have the desire to spend a large portion of their income on the conspicuous consumption.
- The installment selling, income increase, imports increase, reduction of custom duties and VAT are all factors that led to the increase of conspicuous consumption phenomenon in Saudi Arabia.
- Among the most important priorities of conspicuous goods in Saudi Arabia are houses, modern furniture, car brand, possession of jewelry and well-known clothes brands.
- Females exceed males in tendency towards conspicuous consumption in Saudi Arabia for the reasons that they do not bear the spending burden on family due to religious factors and other factors related to customs and traditions (Abdel-Al, 2022).
- The indebtedness culture has a limited role in the increase of conspicuous consumption phenomenon in Saudi Arabia.
- The nature and aspects of conspicuous consumption in Saudi Arabia differ according to their affecting factors.
- There is an inclination from the low-income groups (particularly among the youth) to cope up with the patterns of conspicuous consumption phenomenon in Saudi Arabia.

In the light of previous results, the research recommendations are as follows:

- Eliminating the negative conspicuous consumption habits and values in order to decrease spending on the conspicuous consumption so that it does not lead to poverty and indebtedness in the future.
- Increase the customs tariffs and VAT on the imported conspicuous consumption goods to lessen their demand and encourage the similar domestic production with reasonable prices and quality.
- Strongly facing the aspects of boasting consumption and spending that threaten the actual growth of the Saudi economy. This entails the collaboration of both official and non-official entities in Saudi Arabia to work out legal, planning and ethical restrictions against extravagancy and squandering on the conspicuous consumption goods.
- The commercial banks and companies should adopt social responsibility standards in rationalizing consumption and conspicuous spending, directing the capitals and the financing resources towards long-term productive projects that generate value and lessen their direction towards short-term consumption fields.
- The increase of mass media's role and the civil society organizations, which should play an effective role in enlightening individuals and the society as a whole to rationalize the conspicuous consumption and achieve economic balance for the society.
- The increase of the family education and awareness to curb the conspicuous consumption phenomenon.
- The increase of the religious awareness to lessen the risks and negative aspects of the conspicuous consumption which is considered as extravagancy, squandering and lavish spending.
- Holding further specialized seminars, conferences and workshops to explain the concepts and dichotomies, risks and effects of the conspicuous consumption phenomenon on the Saudi economy.
- Eliminating the social and cultural heritage and some persistent negative consumption patterns that constitute a strong stimulus towards the conspicuous consumption.
- Conducting further future research and academic studies in the different fields and areas of specialization concerning the subsequent risks and negative effects of the conspicuous consumption phenomenon in Saudi Arabia.

6. Conclusion

This paper analyzed the increasing phenomenon of conspicuous consumption in Saudi Arabia in recent years, which requires the rationalization of conspicuous consumption to limit its negative economic effects in the future. It is necessary to raise awareness in Saudi society about the phenomenon of conspicuous consumption in terms of its dimensions and future risks, and to follow a rational approach to consumption in order to achieve efficiency in the use of resources and reduce waste. It may be useful to conduct national campaigns to encourage Saudi individuals and families to rationalize consumption and widen economic awareness by spreading the culture of saving and investment in the media and at different stages of education.

The importance of rationalizing of consumption has increased as a result of global economic conditions and crises, population growth, rising prices of various goods and services, and food shortages at the global level, which requires reducing and rationalizing consumption in order to achieve maximum benefit from available resources without waste in order to obtain the best goods and services at the lowest costs.

The economic theories are based on the hypothesis of the rationality of consumer. Rationality means that consumer compares between the benefit money which he pays for buying the good and the benefit of the purchased good. If the good benefit exceeds the benefit of paid money or sum, he can carry out the purchasing process and vice versa. The benefit differs from one person to another according to the type and pattern of consumption. With the increasing rates of inflation, the consumer has the desire to buy and consume the quantities he used to consume before the rising prices on the one hand, and the desire to reduce consumption due to the decrease of the value of money.

The former is affected by what is known as the permanent income hypothesis, which differs from the current income. The consumer judges if his permanent income exceeds his current income to maintain his consumption level despite the rising prices of goods and services. The stimulus of mimic and imitation forces some consumers to conduct luxurious and conspicuous consumption despite their low income (annual car change, wedding parties and banquets in luxurious hotels) as many consumers reply to the permanent income in a compensation for the current income.

The stimulus of mimic and imitation in consuming goods and services for the purpose of boasting leads to borrowing and indebtedness. This contradicts the economic rationality behavior of the consumer. Under the protection the consumer has from the concerned authorities, the result will be further and continued rising of prices as long as the consumption behavior of individuals does not change through saving which represents a means to reduce daily

automatic consumption in order to increase tomorrow's consumption at the same saving rate. It is, in other words, the transfer of part of today's consumption to the future. The overconsumption without observing the increase of production and resources will inevitably lead to economic problems.

Therefore, the regular and planned consumption rationalization will lead to the optimal use of the families' incomes as it will lead to the spending on the necessities based on rational consumption awareness. The radical solution of this problem dwells only in the consumer's behavior under the rising prices and the current market anarchy. Therefore, there should be a boycott of those temper with the market rising prices, consumption rationalization, selecting moderate-price alternatives and lessen the complementary and luxurious consumption. However, the demand for income increase and legislations amendments will not be useful unless the consumer changes his behavior and starts spending rationally.

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Appendix:

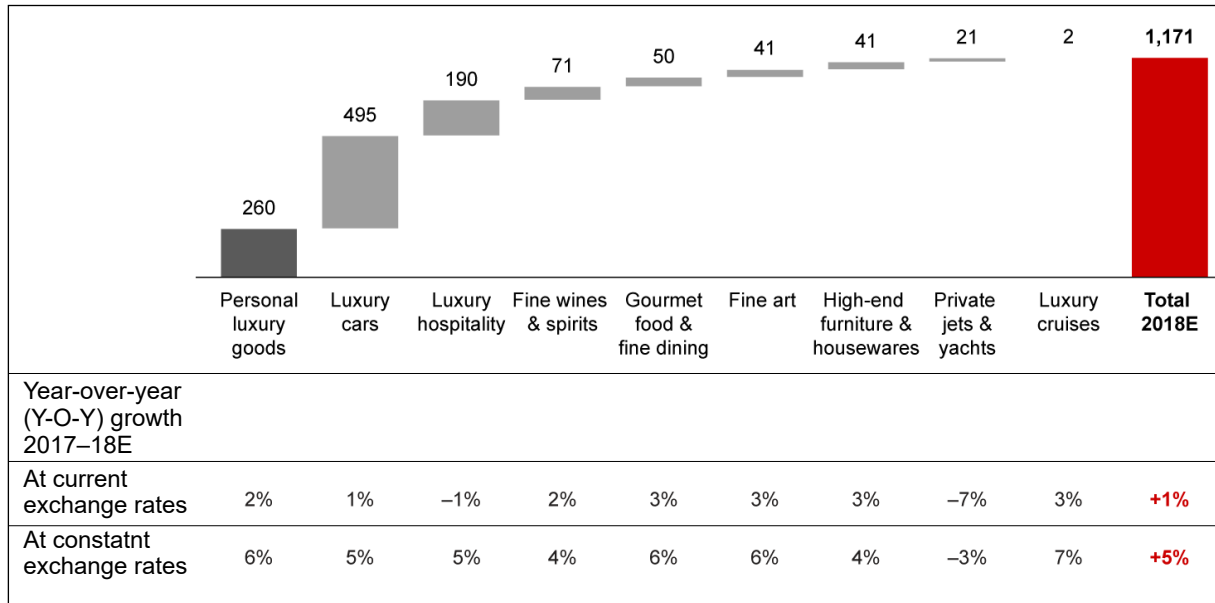
Table A1: Results analysis of the questionnaire of the conspicuous consumption in Saudi Arabia

Gender statement	Male		Female		Total	
	Number	%	Number	%	Number	%
1. Do you have adequate inherited wealth to spend on the conspicuous goods?						
Yes	60	33.3	25	20.8	85	28.3
No	120	66.7	95	79.2	215	71.7
Total	180	100	120	100	300	100
2. Do you prefer spending a large portion of your income on conspicuous goods?						
Yes	118	65.5	82	68.3	200	66.7
No	62	34.5	38	31.7	100	33.3
Total	180	100	120	100	300	100
3. Have you got banking loans or borrowed from friends to spend on conspicuous goods?						
Yes	20	11.1	15	12.5	35	11.6
No	160	88.9	105	87.5	265	88.4
Total	180	100	120	100	300	100
4. Does installment selling encourage you to have further conspicuous goods?						
Yes	60	33.3	45	37.5	105	35
No	120	66.7	75	62.5	195	65
Total	180	100	120	100	300	100
5. Have you ever bought unnecessary conspicuous goods or which you are actual in need of them?						
Yes	17	9.5	22	18.4	39	13
No	163	90.5	98	81.6	261	87
Total	180	100	120	100	300	100
6. Do you prefer the attractive appearance of the good than its quality when buying it?						
Yes	51	28.4	55	45.9	106	35.4
No	129	71.6	65	54.1	194	64.6
Total	180	100	120	100	300	100
7. Have you ever accidentally bought conspicuous goods due to their attraction once you entered the shopping store?						
Yes	19	10.6	34	28.4	53	17.6
No	161	89.4	86	71.6	247	82.4
Total	180	100	120	100	300	100
8. Do you prefer holding your wedding party or private parties in luxurious halls in a famous hotel?						
Yes	140	77.7	110	91.7	250	83.4
No	40	22.3	10	8.3	50	16.6
Total	180	100	120	100	300	100

9. Do you inform your friends, officemates, or study mates of you have bout of conspicuous goods?						
Yes	145	80.5	112	93.3	257	85.7
No	35	19.5	8	6.7	43	14.3
Total	180	100	120	100	300	100
10. what are the most important conspicuous goods that you prefer to have according to their importance order?						
Level and type of housing	33	18.3	16	13.4	49	6.3
Modern housing furniture	31	17.2	13	10.8	44	14.7
Food type	23	12.8	18	15	41	13.6
Car model and brand	24	13.4	5	4.1	29	9.7
Know-branded clothes	18	10	11	9.2	29	9.7
Accessories and cosmetics	10	5.6	19	15.8	29	9.7
Gold jewelry	4	2.2	17	14.1	21	7
Children studying in well-known private schools	11	6.2	5	4.1	16	5.4
Modern brands of mobile	8	4.4	6	5	14	4.7
Expensive presents and antiques	6	3.4	4	3.3	10	3.3
Banquets and parties	7	3.9	3	2.5	10	3.3
Famous clubs membership	3	1.7	2	1.6	5	1.7
Tourism and travel abroad	2	1.1	1	0.9	3	1
Total	180	100	120	100	300	100
11. are there factors or reasons stimulate you to buy conspicuous goods?						
Social prestige and dominance	64	35.5	37	30.8	101	33.7
Fashion and imitating others	27	15	25	20.8	52	17.3
Boasting and showing	36	20	8	6.7	44	14.7
Desire to be distinguished from others	9	5	11	9.2	20	6.7
Income level increase	17	9.4	3	2.5	20	6.7
Mass media	8	4.4	11	9.2	19	6.4
Friends advice	6	3.4	4	3.3	10	3.3
Boring of old things	2	1.1	8	6.7	10	3.3
Attractive appearance of the good	2	1.1	6	5	8	2.6
Old things expiry	4	2.2	3	2.5	7	2.3
psychological conditions	2	1.1	4	3.3	6	2
Traveling abroad experience	3	1.7	-	-	3	1
Total	180	100	120	100	300	100
12. are there reasons preventing you from spending on the conspicuous goods?						
Providing the necessary needs	114	63.3	50	41.7	164	54.6
Low income level	30	16.7	32	26.7	62	20.7
Fear of envy	7	3.8	20	16.7	27	9
Religious factors	20	11.2	5	4.1	25	8.4
Unstable security conditions	9	5	13	10.8	22	7.3
Total	180	100	120	100	300	100

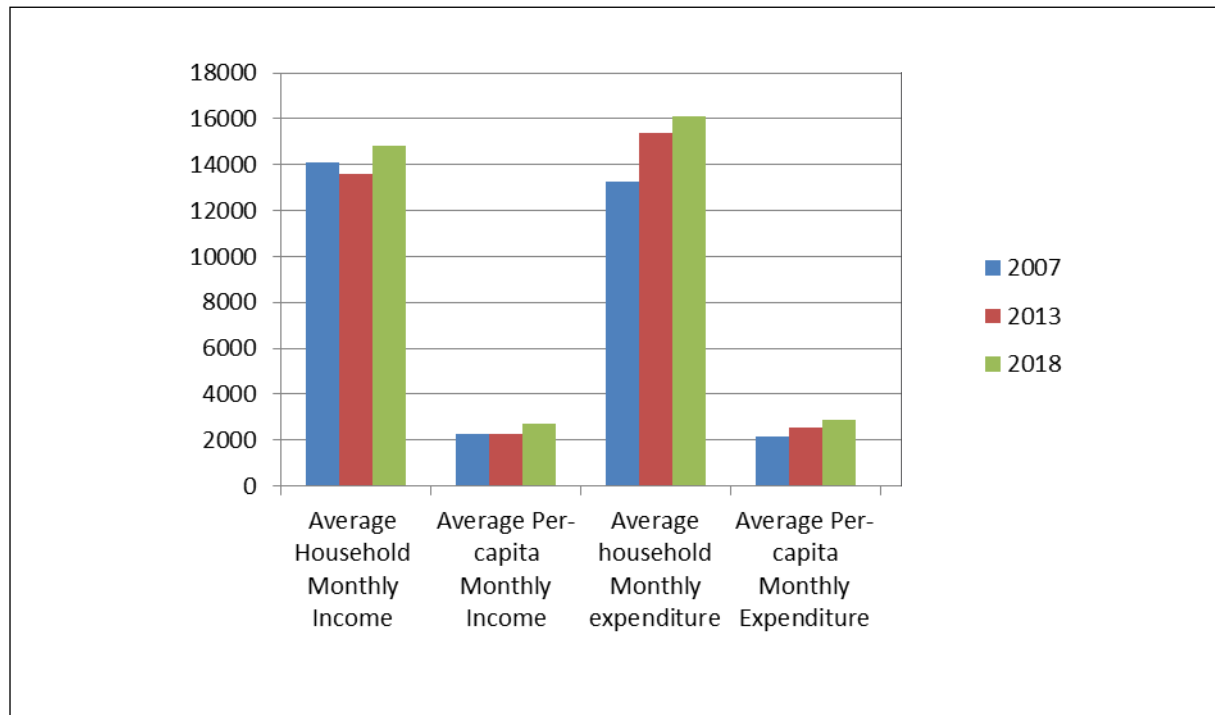
Source: author's processing

Figure A1: The global luxury market grew to nearly €1.2 trillion in 2018



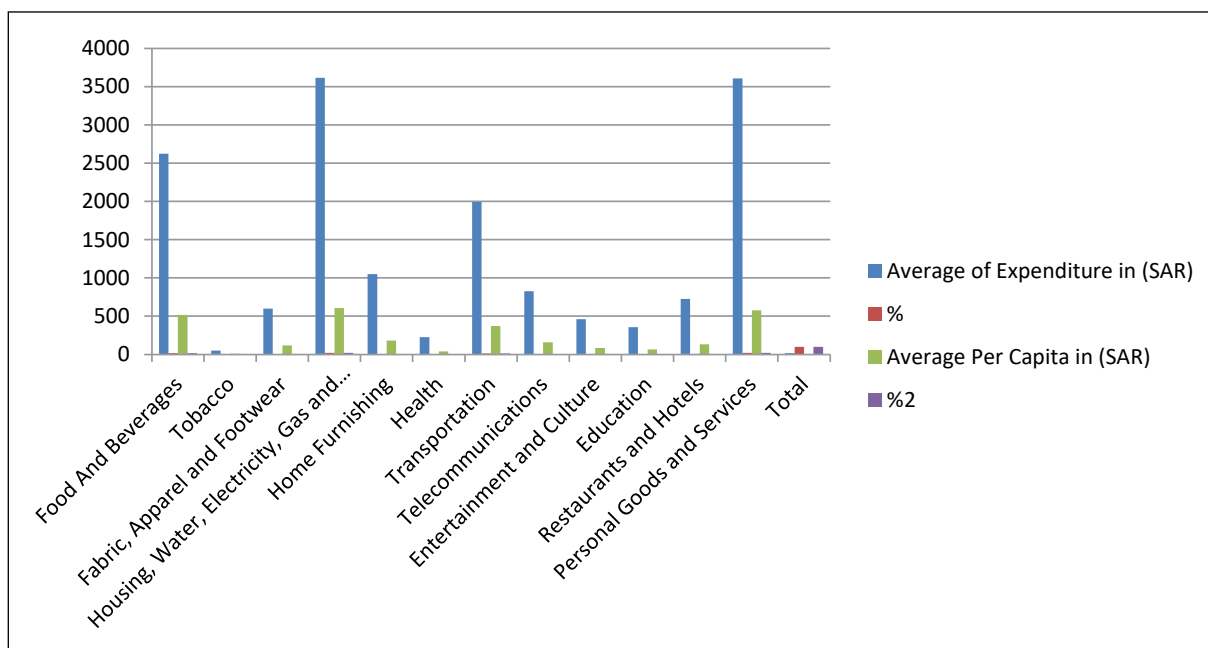
Source: Bain & Company, (2018)

Figure A2: Indicators of Saudi household Income and Expenditure (2018) Compared to 2007 and 2013, Saudi Arabian Riyals (SAR)



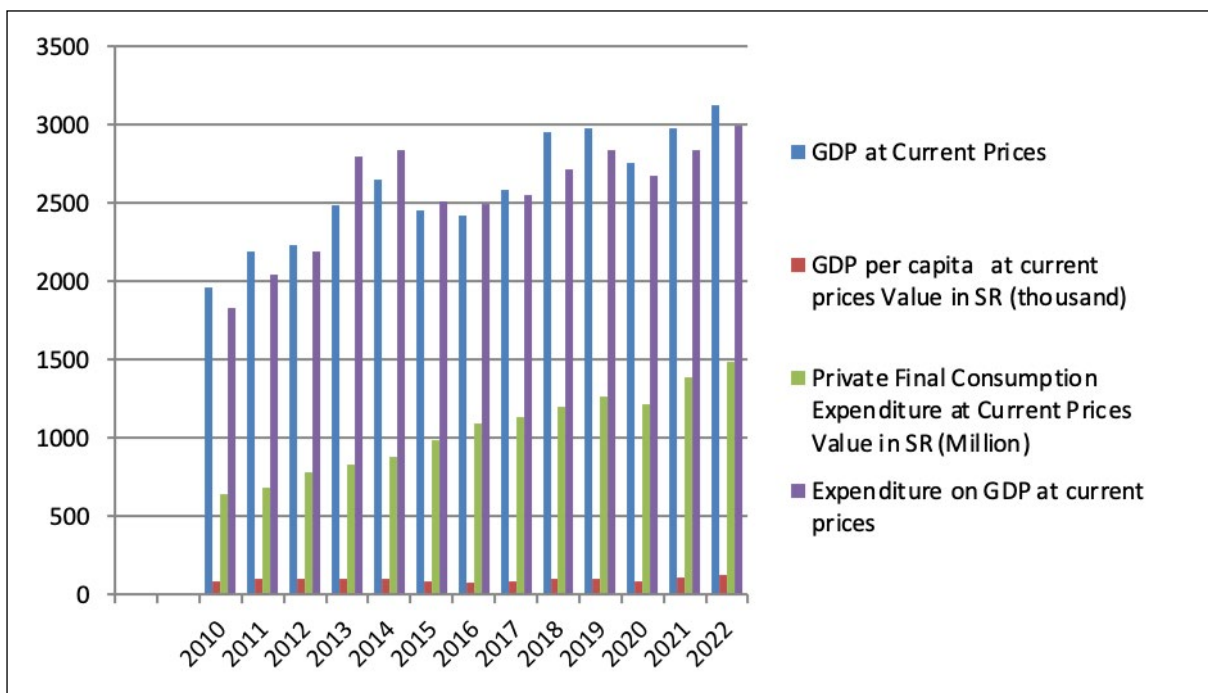
Source: General Authority for Statistics (GASTAT), Household income and expenditure survey in 2007, 2013, 2018

Figure A3: Average Household Monthly Expenditure and Per Capita by Main Expenditure Groups in 2018, Saudi Arabian Riyals (SAR)



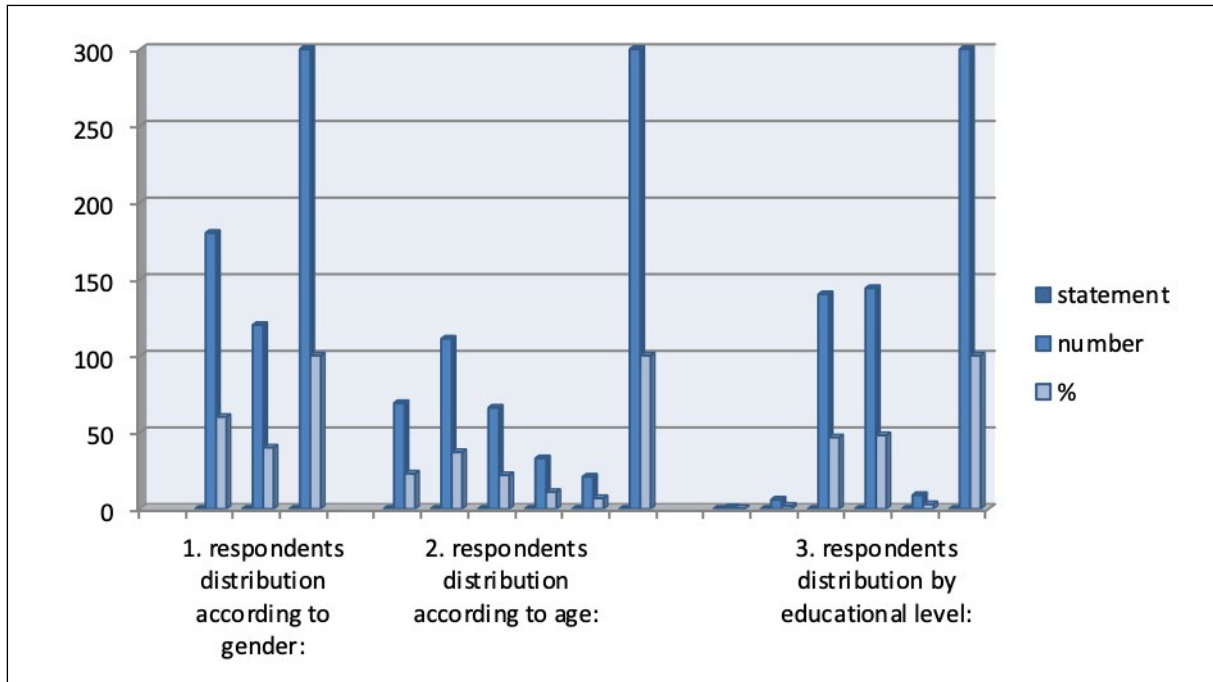
Source: General Authority for Statistics (GASTAT), Household income and expenditure survey in 2018

Figure A4: GDP and some national Accounts in Saudi Arabia during the period 2010–2022, SAR



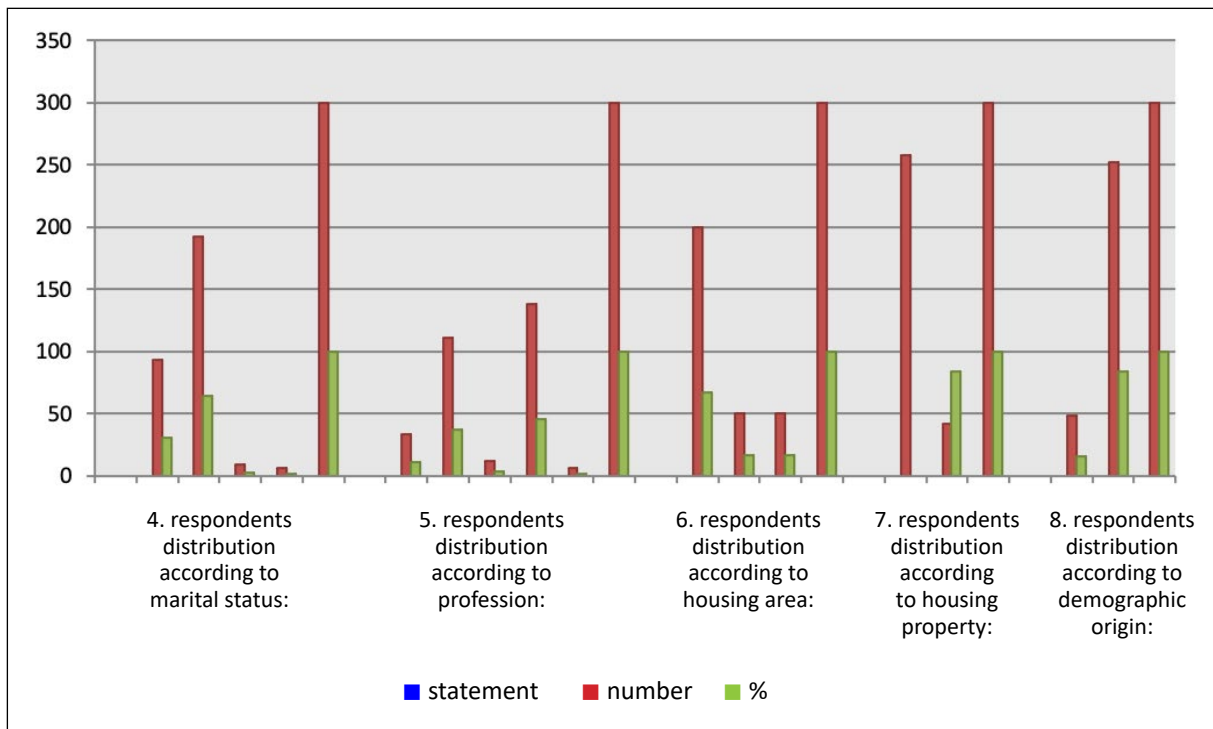
Source: General Authority of Statistics (GASTAT) in Saudi Arabia, Statistical Yearbook, different years

Figure A5: Results analysis of the primary data of the investigated sampling in Saudi Arabia



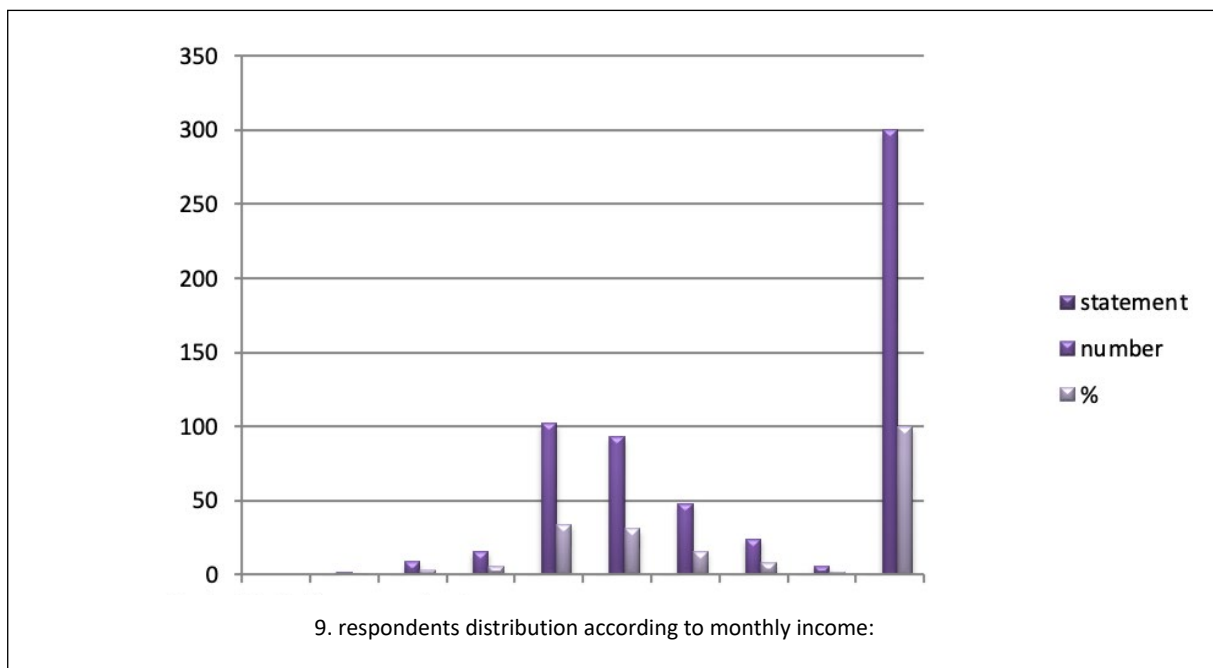
Source: author's calculations

Figure A5a: Results analysis of the primary data of the investigated sampling in Saudi Arabia



Source: own calculated from the answers to the questionnaires distributed to the respondents

Figure A5b: Results analysis of the primary data of the investigated sampling in Saudi Arabia



Source: author's calculations