

Do Materialistic Consumers Buy More During the COVID-19 Pandemic?

Social Consumption Motivation of Anxious Malaysians in the Face of Existential Threat of Death

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ABSTRACT

This study investigates the mediated moderating relationship of self-concept clarity, materialism, and social consumption motivation in the context of COVID-19 pandemic based on the terror management theory. The findings suggest that Malaysian consumers have high self-concept clarity about their materialistic orientation. This materialistic orientation may be of hedonistic-utilitarian nature that is internally directed for self-satisfaction and not exclusively directed externally in material consumption to portray an image to others. Furthermore, this study posits that cultural factors like collectivism and uncertainty avoidance delimits the applicability of terror management theory in Malaysia, suggesting that the development of the theory draw heavily from Western ideology of individualism not directly relevant in the Asian context. Finally, this study offers an understanding of the self-concept clarity from the Asian context, addressing the appeal by Dunlop to investigate the construct of self-concept clarity particularly in non-Western context.

KEYWORDS

Materialism, Self-Concept Clarity, Social Consumption Motivation, Terror Management

INTRODUCTION

The consumption pattern of Malaysian consumers has continuously changed and is simultaneously propelling the growth of the country's economy (Sulaiman, et al., 2018). This social phenomenon is noticed from the private consumption growth pace in 2019 at 7.6% which was higher than the long-term average (2011 to 2018) of 7%. Malaysia consumers are spending more which is contributing to nearly 60% of the Malaysian GDP in 2019 (Ong & Analytica, 2020). Financial agencies projected positive economic growth in 2020 (Asada & Lenain, 2019; Shukry, 2019). Furthermore, Malaysia is placed 6th globally on the Consumer Confidence Index (CCI), with an index score of 115 points in the first quarter of 2019 ("Malaysia consumer confident", 2019). Malaysia was expected to have a steady growth in the luxury lifestyle and goods spending regardless of the slowing global economy (Tan, 2018). Unfortunately, all the optimistic prospects have taken a drastic turn for the worse with the unprecedented global Covid-19 pandemic. To curb the spread of the virus in the country, the

DOI: 10.4018/IJCRMM.289203

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Malaysia government implemented three phases of strict containment measurements since first quarter of 2020 with serious economic consequences (Kana, 2020). The Central Bank of Malaysia revised its official gross domestic product (GDP) growth forecast for 2020 to between -3.5% and -5.5% against 4.3% growth in 2019 (Idris, 2020). Private consumption fell 18.5% in the second quarter of 2020 and a 17.1% contraction in GDP which is the lowest quarter growth ever recorded by the nation since the Asian Financial Crisis when GDP fell 11.2% in the fourth quarter of 1998 (Idris & Salim, 2020).

As Malaysian consumers resolve to manage their consumption by discriminating towards essential goods and necessities, the focus of policy makers shifted to low-income spending (Mohtar & Kamarulzaman, 2020). The immediate effect of decline in discretionary spending rate appears to contribute to the deteriorating demand for branded and luxury goods (AmInvest, 2020). Branded and luxury goods offer high symbolic, social, and emotional value to consumers as a source intrinsic pleasure while offering low ratio of functionality to price (Kapferer & Bastien, 2017). Branded and luxury goods are known as social goods, the consumption of which is to portray an image to fit in with desired social groups (Fitzmaurice & Comegys, 2006). This curtailed demand of social consumption is expected as the general perception toward these as non-essentials may become accentuated in weak situation (Mischel, 1977). In recent years, the luxury market emerged as a significant element in global market (Wang et al., 2011) estimated at the value of 1.2 trillion Euro globally up until 2018 (Bain & Company, 2018). This market has a notable footprint in retail industry where more than 50 percent of the Malaysia shopping mall retail mix comprises non-essential goods (PPKM, 2018). As such, luxury products consumption rate could significantly dictate the survival of the 671 malls in Malaysia which are said to be a struggling sector recently due to changing consumption pattern owing to the Covid-19 pandemic (Birruntha, 2020). Erratic consumption behaviors surfaced because of the Covid-19 pandemic that contradicted common pattern expected of cautious spending during a crisis. For instance, irrational consumption behaviors of panic buying, and stockpiling were observed during the enforcement of the first movement control order (MCO) in Malaysia ("Panic buying", 2020). Recent study based on data from 4,859 respondents from the US, Canada, UK, France, and Germany during the week of 6 April 2020 found that, consumer spending habits across the four emerging segments, only 9% reported they will maintain the same spending patterns post-Covid-19 (Rogers & Cosgrove, 2020). If this pattern is representative of Malaysian consumption pattern as well, the question arises as to the sustainability of the shopping malls in Malaysia that are dependent on leisure consumption. However, very little is known about what motivates Malaysian consumption of non-essential goods during the Covid-19 pandemic. This study investigates the consumption of social goods (Fitzmaurice & Comegys, 2006) and its relationships with materialism and self-concept clarity of Malaysian consumers amid the Covid-19 pandemic.

MATERIALISM

The feelings of insecurity and the fear of death tend to encourage material consumption (Kasser and Sheldon, 2000). According to terror-management theory (Pyszczynski, et al., 1997), when confronted with the realization of inevitable death, individuals seek validation of their lives by material consumption because material possessions are culturally acceptable symbols of success. At the core, money becomes a measure of self-worth and individuals internalise the beliefs of material consumption to overcome their dread of insignificance in the shadow of death (Arndt et al., 2004). The values of material consumption in offering public meanings arise from socialization processes (Richins, 1994) which offer private meanings as well. That is to say, cultural norms and expectations influence the construction of private meanings. Display of photographs at home of honeymoon trip to Paris in front of the Eiffel tower has symbolic meanings both publicly and privately. Such values guide individuals' consumption behaviour (Richins & Dawson, 1992) and evidently are recognised as an independent driver of luxury consumption (Wiedmann et al., 2009). Literature on materialism suggest that materialism is a universal socio-cultural phenomenon (Srikant, 2013) that is not exclusively

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