

Winner takes all: Success enhances taste for luxury goods, study suggests

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Credit: University of Cambridge

Footballers in flashy cars, City workers in Armani suits, reality TV celebrities sipping expensive champagne while sitting in hot tubs: what drives people to purchase luxury goods? New research suggests that it may be a sense of being a 'winner' - but that contrary to expectations, it is not driven by testosterone.

While we may sometimes make expensive purchases because of the high

quality of a product, these items often represent status symbols, a phenomenon termed '[conspicuous consumption](#)'. Evolutionary psychologists claim that conspicuous consumption may be comparable to ostentatious behaviours or elaborate physical characteristics seen in the animal kingdom. A peacock's tail may be energetically costly to build, but may serve as an indicator of genetic quality; similarly, conspicuous consumption may represent a costly display of wealth that serves to increase an individual's [social status](#).

Previous studies have suggested that testosterone plays a key role in human social status seeking, with elevated levels of the hormone being associated with more dominant and aggressive behaviour in men. It has also been suggested that [testosterone levels](#) increase in response to an individual winning a competition, and fall in response to losing.

In a study published today in the journal *Scientific Reports*, Yin Wu, at the time a PhD student at the University of Cambridge, in collaboration with researchers from London Business School, University of Oxford, and University of Vienna, led an investigation into the effects of social status and testosterone levels on conspicuous consumption. Dr Wu tested the effects of winning or losing a competitive version of the game Tetris on the behaviour and testosterone levels of 166 male volunteers - although in fact, while the participants thought they were competing against each other in two-player games, they were randomly assigned as winners or losers.

After playing the Tetris game, the researchers asked the participants how much they would be willing to pay for [luxury items](#) such as expensive cars, from 10% of its retail price up to 120%. They found that winners tended to be willing to pay more for these items than losers. This effect was confirmed with some status products made in the laboratory, such that winners were more willing than losers to pay for a Harvard University T-shirt.

Next, participants were asked to attribute positive and negative words to the items. This task helps assess the implicit value that participants assigned to the objects - in experiments, this is used to measure attitudes that people are unwilling to reveal publicly, and in the field of consumer psychology, these measures can predict brand preferences, usage, and recognition. The current study supported the finding that winners attach greater value than losers to luxury items.

Finally, the researchers measured the participants' testosterone levels. Contrary to expectations, winning and losing had no observable effect on testosterone levels. This suggests that testosterone does not play a role in conspicuous consumption.

"Winning a competition, which we know is associated with feeling a sense of a higher social status, seems to drive individuals towards conspicuous consumption, making them more willing to pay for luxury items," says Dr Wu, now based at Shenzhen University in China.

"However, we were surprised that testosterone levels did not change with winning or losing, and so testosterone does not seem to be driving the effects on conspicuous consumption."

The researchers argue that one way in which winning leads to conspicuous consumption is through an enhanced sense of entitlement among winners, the feeling that as winners they are more deserving of preferential treatment than others: the Tetris 'winners' may have felt more deserving of the high-status products and also of fair treatment in the ultimatum game. This would be consistent with findings that feelings of superiority over others arising from hard work and success enhance the desire to purchase luxury brands, as individuals see the [luxury goods](#) as a reward.

"We are not only interested in examining what people are willing to do to win, but also in understanding the consequences of winning on people's

everyday behaviour," says Dr Amos Schurr, a behavioural economist at Ben-Gurion University of the Negev, Israel, who was not part of this study.

"Social competition is pervasive in our daily life - whether it is in terms of fighting for the top job, competing for friends and popularity or even growing up in a wealthy, successful family," says Dr Wu. "Our study demonstrates that winning a competition leads people to prefer high-status products, possibly through an increased feeling of entitlement or deservingness."

Concerning the null findings on the testosterone levels, the researchers suggested that competition-induced testosterone fluctuations may be hard to detect, and so they are carrying out further work to test the effects of [testosterone](#) on conspicuous [consumption](#) in their on-going project.

More information: Yin Wu et al, The role of social status and testosterone in human conspicuous consumption, *Scientific Reports* (2017). [DOI: 10.1038/s41598-017-12260-3](https://doi.org/10.1038/s41598-017-12260-3)

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