

# Cultural Effects: Consumption Choice and Subjective Well-Being of Consumers in Emerging Markets: An Abstract



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**Abstract** Behavioral economists established the paradoxical relationships between an individual's objective facts of life and subjective satisfaction with these. A large-size fish caught during vacation may make an accomplished scholar happier than yet another book publication. A wealthy farmer may be more satisfied with life while riding in a subway for the first time than with abundant harvest.

Subjective well-being (SWB) is an area studied by different disciplines, including marketing (Kim-Prieto et al. 2005). Marketers need to understand the underpinning of consumption processes increasing SWB and stimulating repeat purchases. Equally important are communications helping potential customers link product/service features to future SWB.

Dynamic global environment demonstrated the considerable cultural differences among and within emerging markets (EMs) and need to explain consumption paradoxes in EMs (e.g., Han et al. 2010). That is why the most productive targets of the focused EM research are social groups espousing discernable cultural traits (Kivenzor 2015). Among the factors affecting group norms and motivating member choices is a cognitive process determining a 'typical' level of public consumption and balancing it with intrapersonal 'ideal' level (Bear and Knobe 2016).

Millions of EM consumers get elevated to the middle-class every year. Striving to join groups with the higher social status, they struggle with an uncertainty of consumption choice due to an imbalance between their newly elevated economic state and anterior lower social status. In a sense, these newcomers are motivated to revise their previous psychological 'anchors' (Ariely 2008) related to consumption level and set up the new ones. To do this, they have to resolve the major discord between the perceived risk of non-acceptance by the target group if a new 'anchor' is set up too low and acute economic pain of over-spending if a new 'anchor' is set too high.

The suggested theoretical framework allows analyzing the EM consumer decision-making based on the probabilistic assessment of volitional and compulsory factors. It was operationalized through research propositions that can be

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converted into testable hypotheses specific for each social group. Managerial implications should help marketing managers develop more effective strategies for promoting luxury and premium goods and services in EMs, focusing not only on the features and characteristics of products but rather on cultural norms of social groups and aspirations of their members. Future research should include the characterization of the dominant types of cultures associated with social groups and linking them to the respective levels of luxury consumption by the current group members.

**Keywords** Emerging markets · Social groups · Luxury consumption · Subjective well-being

References Available Upon Request