

## **Between Demand and Desire: a Study on Low-Income Consumer's Materialism in São Paulo, Brazil**

**Maria de Lourdes Bacha<sup>1</sup> and Celso Figueiredo Neto<sup>2</sup>**

### **Abstract**

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This work aims at analyzing the attitude of low-income consumers living in the city of São Paulo towards materialism taking into account the culture of consumption. There are many reasons for choosing this subject: on one hand, the importance of low-income market segment in Brazil. On the other hand, from the academic perspective, the review of literature has revealed that over the last few years the low-income population has become a highly discussed subject in academic circles. However, researches on materialism in the light of consumption culture are still rare, which indicates a gap despite the importance of themes such as society and consumption. Firstly, a brief review of the literature is presented. Then, the results of an empirical research conducted with 420 individuals chosen randomly in strategic points of great flow of people in the city of São Paulo are discussed. The results reveal a relationship with cultural aspects, such as leisure activities and behavioral variables.

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**Keywords:** low-income consumer attitude; culture of consumption, materialism, masscommunication

### **1. Introduction**

This article aims at analyzing the attitude of low-income consumers living in the city of São Paulo, Brazil, towards materialism taking into account the culture of consumption.

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<sup>1</sup> Researcher and Scholar at Mackenzie Presbyterian University, Rua da Consolação, 930, CEP 01302-907 Sao Paulo, Brazil. Email: mlbacha@gmail.com, Cell phone: 55 11 983099767

<sup>2</sup> Researcher and Scholar at Mackenzie Presbyterian University. Email: kekofig@gmail.com, Cel phone: 55 11 981221219

There are many reasons for choosing this subject: on one hand, the importance of low-income market segment in Brazil (Chauvel, & Mattos, 2008; Souza, & Lamounier, 2010; Nogami, & Vieira, 2012). On the other hand, from the academic perspective, the review of literature has revealed that over the last few years the low-income population has become a highly discussed subject in academic circles.

However, researches on materialism in the light of consumption culture are still rare, which indicates a gap despite the importance of themes such as society and consumption. The analysis of the results of this study has shown that the difficulty to manage family finances has to do with the urge to consume. The ability of low-income individuals from São Paulo to manage demand and desire is the subject of this study.

## **2. Theoretical Background**

The concept of consumption culture involves social practices or cultural values, or aspirations and identities oriented towards consumption. The key element of consumption culture is the act of choosing among a set of products and services offered by companies that are not interested in people's needs or cultural values, but in making profit and economic values. Besides, access to these products and services depends on income and social status (Slater, 2002).

Featherstone (1995) has identified three essential perspectives on consumer culture: expansion of goods, which has increased leisure and consumption activities; due to satisfaction and affordability, goods are used to create bonds or establish social differences; consumers' emotional pleasures provide different kinds of physical sensations and aesthetic pleasures.

Nowadays, consumption is no longer just a process of creating, buying and using products or providing services, but something much more complex, with symbolic and cultural features (Schroeder, 2009; D'Angelo, 2004); it involves some issues such as reasserting identity, social status definition, connection with a group, gender or ethnicity, definition of hierarchy, status or power (Rocha, & Silva, 2009). Consumption may bring down social barriers and break bonds (Featherstone, 1995), but there is the danger that the members of a wealthy society may establish disturbingly hedonistic consumption patterns in new social groups (Slater, 2001).

When it comes to materialism, it can be defined as the importance given to possession and acquisition of goods in order to achieve life goals or desired states (Richins & Dawson, 1992) or, according to Belk (1984), a person's interest in having goods and spending money. The origin of materialism is primarily cultural (Soron et al., 2005), because culture encompasses a complex set of values and practices, including language, custom, religion and economy, which have an effect on how people treasure their possessions. Durvasula & Lysonski (2010) have shown that the need to accumulate, possess and spend is essential in societies adapted to the consumption culture. Money allows extravagances and new identities, not to mention that it means prestige.

Ponchio and Aranha (2007) have analyzed the construct of materialism in the context of low-income consumers in São Paulo, using a scale that encompasses three dimensions: centrality which indicates the role of possessions and acquisitions in people's life; possessions and acquisitions would be key elements in materialistic people's life; happiness that indicates an individual's level of hope considering the idea that possessions and acquisitions will bring happiness and well-being; success that indicates one's tendency to judge others and oneself on the quantity and quality of his or her possessions.

### **3. Methodological Procedures**

Regarding the empirical part of the study, this paper has used the quantitative methodology. A survey has been conducted with 420 individuals selected by non-probabilistic by convenience (Malhotra, 2001; Hair et al, 2006), who belong to C and D social classes and live in São Paulo. Respondents were selected in typical low-class neighborhoods in the city of São Paulo, where pedestrian flow was intense, in accordance with the Brazilian criterion of economic classification (Abep, 2012).

Personal interviews were carried out using structured questionnaires. The answers given were typed into survey software SPSS. Although statistical considerations do not allow the development of inferences about the population from non-probabilistic samples, we chose this type of sample in terms of cost and accessibility.

## **4. Empirical Research: Presentation and Discussion of Main Results**

### **4.1 Demographic Variables**

The sample comprises the following categories: (female – 57%, male – 43%), socioeconomic class (C - 73%, D - 27%), group age (15 years old - 8%; 16-24 years old - 35%; 25-29 years old - 16%, 30-39 years old - 22%, 40-49 years old - 12%, 50-60 years old - 5%; above 60 years old - 2%), education (up to elementary school - 30%; until elementary school - 21%; until incomplete high school - 20%; until incomplete higher education - 24%, graduate - 5%), household income (up to 1 minimum wage - 9%; between 2 and 5 minimum wages - 74%; between 6 and 10 minimum wages - 13%; 11 or more minimum wages - 4%). To sum up, it can be observed that the sample is equitably distributed between men and women. Besides, most respondents belong to C social class, which represents more than half of Brazilian population. It is also worth noticing respondents' low level of education.

### **4.2 Daily Leisure Activities**

In general, the following activities are highlighted: watching TV (94%), chatting (88%), listening to the radio (77%), praying (68%), listening to music (67%), watching videos or DVDs (66%), walking/strolling (61%), going shopping (50%). Instructive activities (according to Formiga, Ayrosa, & Dias, 2005) are the least favorite with scores under 30% such as reading magazines (28%), reading newspapers (26%), reading books (25%), playing musical instruments (22%), learning foreign languages (19%), sewing (7%), painting and sculpting (arts) (7%). It is worth mentioning that 100% of people interviewed have cell phones, 68% have Internet access at home and 33% are pay-tv subscribers. Besides, average time spent daily watching TV is 3.53 hours compared to 2.5 hours spent on the Internet and 1.79 hours spent on social networks.

### **4.3 Behavioral Variables**

The following table shows levels of agreement for behavioral variables according to Likert scale.

**Table 1: Attitudes Regarding Media and Advertisements**

<b>Attitudes regarding media and advertisements</b>	Level of Agreement %
Radio news usually keeps me updated on everything that is happening in Brazil and around the world.	65
TV makes me feel less lonely.	63
People who are not used to reading newspapers or magazines can quickly get outdated.	62
Radio is a great companion to me.	60
TV news prevents us from reading the newspaper.	56
Social networks are part of my life.	44
I only read the newspaper because I need to be updated.	38
<b>Beliefs</b>	
If I won the lottery, I would never work again.	64
Fulfilling a duty is more important than enjoying life.	51
I like taking risks.	28
I like impulse purchases.	27
I do not want responsibilities. I'd rather be told what to do.	25
<b>Advertisements and celebrities</b>	
TV advertisements often treat us like idiots.	70
In general, advertisements are dangerous because they sell lies.	66
When actors or famous people advertise a product, I feel safer to buy it.	26
I trust advertisements when deciding what to buy.	25
Celebrities influence my shopping decisions.	21

Source: authors

The answers above show respondents' pendulum behavior towards the media. On one hand, they are suspicious and cautious regarding advertisements. On the other hand, these people are strongly bonded to the means of communication they are familiar with.

The idea of being updated is very important and a way of justifying media preferences. However, people's interest is limited to their daily needs, because they do not associate information with entrepreneurship, social mobility or commercial advantages.

The high number of positive responses to the criterion "If I won the lottery, I would never work again" may indicate that respondents perceive professional responsibilities rather as a burden than an opportunity.

Subjective values associated with consumption, such as social status, sophistication and quality, may be the result of integrated communication strategies which lead to the construction of a different view of value related to products and services advertised. Also note an intriguing discrepancy among the media channels. While 70% of respondents said that TV advertisements treat them like idiots, 60% perceive the radio as a "companion". It is also surprising that social networks are already part of these consumers' daily life (44%), while only 38% read the newspaper, a more traditional way of being updated, despite the fact that 62% consider reading the newspaper an important activity.

These results may reveal that respondents feel obliged to read the newspaper. On the other hand, watching TV, listening to the radio and using social networks are associated with pleasure, companionship and entertainment, a scenario where consumption desire is built.

#### 4.4 Materialism

The attitudes towards materialism were assessed according to five points of agreement, adapted from Ponchio and Aranha (2007). Through factor analysis it was found three components – **centrality, success and happiness** - that explain 55% of the total variance and  $KMO = 0.802$ . The components are described in the table below.

**Table 2: Attitudes toward Materialism**

<b>Materialism</b>	<b>%</b>
<b>Centrality</b>	
I like a lot of luxury in my life.	54
One of the most important achievements in a person's life includes the purchase material goods.	48
I like spending money on expensive things.	42
I admire people who own homes, cars and expensive clothes.	36
I like to own things that impress people.	33
Spending a lot of money is among the most important things in life.	31
I try to keep my life as simple as possible.	27
<b>Success</b>	
Buying things gives me great pleasure.	74
It bothers me when I cannot buy everything I want.	58
I'd be happier if I had more money to buy more stuff.	40
My life would be better if I had the things I don't have.	37
<b>Happiness</b>	
I usually buy only the things I need.	72
I have everything I need to enjoy life.	62
I like material goods less than other people I know.	56
I would not be happier if I had better things.	52

Source: authors

From the theoretical framework developed, some factors that influence low-income consumers' attitudes regarding materialism have been tested. Regarding the dimension of culture, demographic variables (Holt, 1995), leisure activities, conspicuous consumption and impulse buying have been included (Podoshen, & Andrzejewski, 2012; Nguyen, Moschis, & Shannon, 2009; Benmoyal-Bouzaglo, & Moschis, 2010). The indicators which measured the dimensions of culture related to the construct materialism were significantly correlated to ( $p < \text{or} = 0.01$ ).

The results confirm the conclusions of Jesus (2008), Hong et al. (1987) and McCracken (2007). Through data analysis, it was found a strong relationship between individualism and materialism.

The construct of values associated with labels, the branding process, is absorbed by consumers who expect to personify all the features over-advertised by label companies. At this point, it is understood that consumers wish to buy and consume, even though they criticize materialism and consumption.

It is observed a duality in consumers' behavior. On one side, the highest percentages reveal an extremely materialistic point of view, such as pleasure of buying, desire for buying everything and taste for luxury. On the other side, there may be a feeling of discomfort about materialism, revealing a tendency to buy only the things one needs and admitting having all the things needed to enjoy life. Despite that, only 27% of respondents said they try to keep life simple.

Another possible conclusion is that there is a link between materialism and individualism. Respondents tend to agree more with statements focused on the self. When the statements refer to one's own shopping preferences and possessions, the level of agreement is higher than statements regarding other people's consumption habits. It is possible to claim value fluctuation; consumption and pleasure for the individual himself is more acceptable than other people's behavior, which tend to have limitations.

## **5. Final Remarks**

Low-income consumers have recently entered the trade market and seem to be in the process of rebuilding their social identity, which is affected by consumption habits.

Unlike wealthy classes, ostentation does not seem to be important to these individuals. On the other hand, these consumers seem to have great pleasure in using social networks to share pictures of them and their friends having fun in consumption situations.

This paper shows the link between mass communication and consumption, highlighting the relationship of consumers with media, from rejection to delight, a love and hate cycle. Therefore, there seems to be a behavior fluctuation; on one hand, they have learned to reject a consumerist profile; on the other hand, they seem to be delighted to have finally reached the moment of buying. The biggest challenge of low-income population living in São Paulo is to balance the desire for buying and the low family income that does not allow many extravagances.

This emotional dimension explains the relationship between materialism and low-income consumers living in the city of São Paulo.

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