
How Political Ideology Shapes Luxury Spending



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Conservatives are more likely to buy luxury when they believe it can help them maintain their social position.

Luxury goods. Why do we buy them?

Largely to signal our status to others. And for the €262 billion [luxury market](#), tapping into consumers' fundamental need for respect or admiration from others has always been the name of the game.

For hundreds of years, the luxury, fashion and high-end industries have played a big role in stratifying society by producing goods only available to an elite. Psychologically, political ideologies shape our views on stratification and status – from how we view others lower or higher in the hierarchy to how resources should be distributed. Given the role of political ideology in shaping consumers' beliefs about hierarchies, we wondered whether it could also affect consumption intimately tied to status.

To explore this possibility, our research asked a simple but critical question: Does political ideology affect the preference for luxury goods and if so, how?

Our findings, just published in the *Journal of Marketing*, show that political allegiances systematically predict consumers' desire for luxury items, particularly for conservatives. We start off with the idea that consumers' need for status is bi-faceted, involving a desire to either advance or maintain one's status. This critical distinction is reflected in many ads in the luxury and fashion industries that appeal more to one or the other (see Figures 1 and 2).

Figure 1: Ads suggestive of status maintenance



From left to right: 1. Patek Philippe's Generation [ad](#); 2. Damac's Summer Surprises [ad](#), 2012; 3. Rolex's Class Is Forever [ad](#).

Figure 2: Ads suggestive of status advancement



From left to right: 1. [Ad](#) for “High Status Fabrics to Fashion”; 2. Aston Martin One-77 [ad](#), 2008; 3. [Ad](#) created by Lowe, Canada, for Audi, 2012.

Given conservatives’ inclination to [preserve socio-economic order](#) and aversion to change in the social hierarchy, we reasoned and empirically found that conservative shoppers are more likely to buy when they believe the purchase will help them preserve – but not necessarily advance – their status.

Studying Republicans and Democrats

One of our first experiments aimed to establish the link between one’s political leaning and luxury consumption. It involved the analysis of car purchase data from 21,999 consumers in 50 U.S. states and the District of Columbia between October 2011 and September 2012. The data included car brand and model, the buyers’ political leanings and their social status.

Republicans with high social status, measured by their income and education, were 9.8 percent more likely than high-status Democrats to buy a luxury car. Put differently, while high-status Democrats spent US\$29,022 on average on their car, their Republican counterparts spent \$33,216. For luxury car sellers, that meant conservative customers were associated with 14.45 percent higher spending.

The conservatives’ fondness for luxury products might be explained by a desire to protect their position, i.e. to maintain their status. Thus, we expected Republicans to respond more positively than Democrats to luxury ads emphasizing how a target product would help them maintain their position. We also predicted there would be little difference between Republicans and Democrats presented with a luxury ad emphasizing status

advancement.

We showed 403 participants one of three ads for the same eyewear product as part of an online survey (see Figure 3). We measured their willingness to pay and ascertained their political inclinations. The first ad was designed to evoke a status advancement desire (“update your status”), the second one to maintain it (“keep your status”) and the third one avoided any status-related association (“eyewear for everyone”).

Figure 3: Ads suggestive of status advancement (left), status maintenance (middle) or without status association (right)



As predicted, Republican participants’ willingness to pay for the eyewear in the ad that emphasised status maintenance outstripped that of Democrats, but not in the status advancement and the no-status positioning conditions.

Building on these findings, we then asked another 300 participants how much they would be willing to pay for a set of luxury headphones after we momentarily activated their desire for status maintenance or status advancement through a short writing task. We also collected info on their political affiliation.

Consumers with strong conservative beliefs were willing to pay on average \$109.80 for the headphones when status maintenance was activated. By comparison, this amount was 83 percent lower (\$59.90) when status advancement was activated in consumers with strong conservative beliefs. Democrats in the status maintenance condition were only willing to pay \$65.10 – a stark difference of 69 percent compared to the Republicans’ average of \$109.80.

At this point, a reasonable question is whether and when liberals (Democrats) may purchase luxury. Although we did not find differences in luxury purchase likelihood when aiming to advance one's status, other reasons specific to Democrats may underlie their desire for luxury.

In fact, in a [recent paper](#) in the *Journal of Consumer Research*, Nailya Ordabayeva (Boston College) and Daniel Fernandes (Católica-Lisbon School of Business and Economics) found that liberals tend to differentiate themselves through products that signal their uniqueness (horizontal signalling).

Implications for luxury brand management

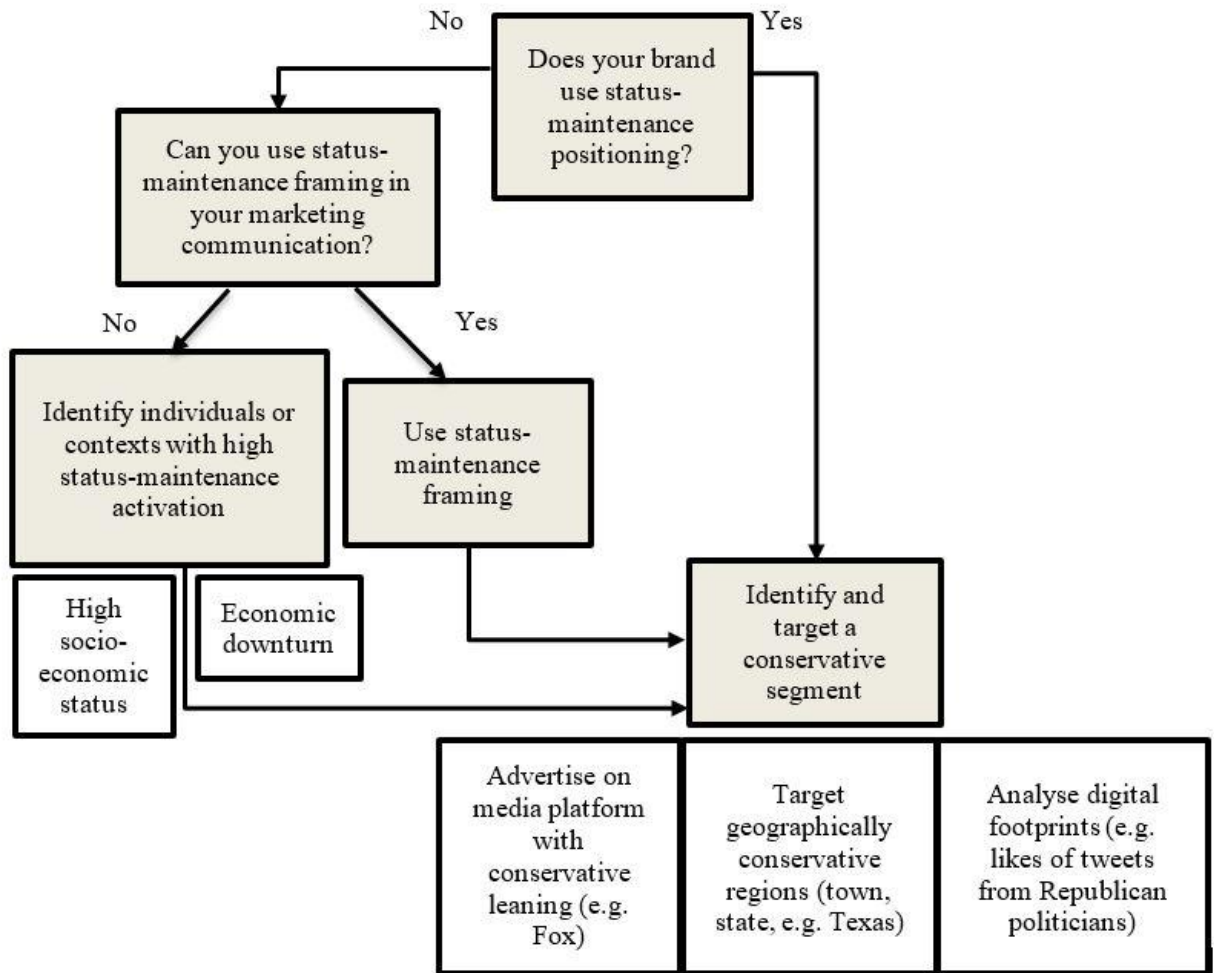
Overall, these findings provide powerful insights into effective segmentation and targeting strategies for luxury and fashion brands. Indeed, establishing a causal link between political ideology, status goals and purchasing habits yields untapped opportunities to target, segment and market luxury goods and services to novel types of consumer groups.

Our work not only sheds light on why Republicans might be more inclined to buy luxury watches, sunglasses, car or even condos. It can also help luxury brands identify the channels, the positioning and the messages that can nudge these consumers more effectively along the customer journey.

The political affiliation of a target group can easily be determined along geographical lines. Databases from [Gallup](#), [Pew Research Centre](#) and [PoliticalMaps.org](#), among others, provide access to fine-grained data enabling segmentation based on political ideology.

It is also easy to assess people's political ideology from their digital footprints such as their search patterns, likes or website visits, and from their preference for different media outlets and online platforms. Once luxury brands identify and locate a relevant target, they can focus on positioning their products and services accordingly and craft messages that highlight how they can help customers maintain their status (see Figure 4).

Figure 4: Decision guidelines for luxury brand managers



In addition, changes in political or economic environments may drive the desire to preserve status, particularly among conservative audiences. For instance, anxieties over the loss of global economic dominance, or social threats associated with relinquishing the power or prestige associated with one's social group, may contribute to activating the status-maintenance impulse – and drastically alter luxury consumer behaviour.

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