# Veblen and Bourdieu Theories in the Global Economy

Various factors affect the economic landscape, especially when focusing on the level of performance that businesses experience during different periods of operation. Consumer perspectives and trends count as some of the most influential forces that determine how an enterprise will perform and sometimes impacting a whole economy. Some theorists have proposed various perceptions about customers and how they view products and also how such instances affect the consumption of different commodities in the markets. The interest in this investigation lies on the theories of by Thorstein Veblen and Pierre Bourdieu and how they reflect consumer spending behaviors in the market and the overall impact that has on the economies. The study sets its focus on events after the 2008 economic downturn and the relevance of those concepts in predicting various outcomes on the performance of different economies during the period of the crisis. The conceptions of interest in this investigation are the Veblen Effect and the theory of class distinction that were proposals of both Thorstein Veblen and Pierre Bourdieu respectively. The intent is to reflect the presence of those concepts during periods of economic crises as a means of predicting and describing the market outcomes that businesses experience.

The Veblen effect represents a perception that consumers have indicating that purchasing goods that have higher prices while ignoring less expensive substitutes sets them apart as premium spenders in the market (Tae-Jong, 2012). The conception arises from the belief that those higher-price goods offer better quality that the lower-price ones even though that may not be exactly the truth, thereby, consumers only use pricing as a means of pursuing status and prestige. That gives rise to the concept of conspicuous consumption in which the customers only seek to satisfy a prestigious psychological feeling of distinction rather than a physical need for the commodity that they purchase. The distinguishing factor arises from one set of individuals whose spending pattern derives from prestige and status while disregarding the price and the available substitutes as well. On the other hand, there is another group of consumers whose expenditure is rather frugal and considerate of the price levels of commodities and will go for a bargain regardless of the fact that it may not reflect status. Most studies connect the Veblen effect to luxury goods in the market where higher prices stimulate more purchases until a certain level upon which consumers may feel that it is exploitative and stop buying.

The theory of class distinction holds the conception that people have varying aesthetic tastes that they use to distinguish themselves in the society deriving from their material wealth as a representation (Trigg, 2001). As a result of those distinctions, Bourdieu observes that individuals are likely to make different choices in their acquisition of commodities where those in higher conceptual classes will go for premium prices while those in lower ones will focus on the utility of their purchases. That concept is similar to the theory of conspicuous consumption that Veblen proposes to describe the market conditions regarding consumer behavior. Both theorists imply that the spending patterns that individuals have in the economy are a reflection of the social classes that they belong to and that have a significant influence on the kind of commodities they are willing to purchase. Two types of shoppers are likely to arise from such instances, and they include the luxury spenders and those that are only willing to hunt for bargains in the market. Those aiming at prestigious spending will go for goods that present premium price in the conception that they are a reflection of status. The latter will focus on the utility they get from the amount that they pay for their purchases; therefore, they are likely to buy less expensive substitutes in the market.

The implication of the theories that Thorstein Veblen and Pierre Bourdieu present are that there are prone to arise two forms of household spending in an economy. One of them follows the pattern of conspicuous consumption as a result of their prestigious status, and they are likely to influence the growth of sales in the luxury brands tremendously (Tae-Jong, 2012). Tae-Jong (2012) offers a perspective on how such shoppers were a contributor to a good performance of luxurious products even after the economic downturn of 2008 that hit the globe. Even though the prices of those commodities kept rising as most of the businesses sought to take advantage, the customers still continued buying, and the enterprises realized an increase in their revenue. That is a reflection of the Veblen effect where most of those consumers felt that the luxury goods offer better quality along with their ideas of conspicuous consumption as a means of presenting status. Another kind of shoppers includes ones that will seek a bargain for the commodities that they buy by focusing on getting value for the price that they pay. Daily Mail (2014) reflects on a trend of consumers that ditch high-end beef sellers to purchase from stores that offered discounts on the products. The change of direction arises from the realization that both vendors offer similar quality foods at different prices; therefore, middle-class buyers prefer to acquire the commodities at a bargain rather than identify with the premium stores.

The analysis of the theories of Thorstein Veblen and Pierre Bourdieu are a practical indication of what happens in the economies. They reflect the two types of households that exist in a typical business landscape that include premium shoppers that use price as a way of distinguishing themselves and the low-end utility buyers that are fond of bargain hunting. The theorists have similar conceptions about spending patterns in an economy that derive from the perceptions consumers hold about prestige and social class. In this light, Bourdieu’s theory of class distinction supports the Veblen effect as they both focus on the ways through which social stratification influences consumption trends in a typical market. The relevance of those concepts is present in the direction that many shoppers take in their choices of purchases that derive from the pricing of the products that are available in the enterprise.

## References

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