

## The New Conspicuous Consumption

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People have an innate desire to “stand out from the crowd”, a desire that is often fulfilled by conspicuous consumption of products.

How should this human inclination to display status be harnessed, while encouraging “standing out” in a new, more sustainable way?

#### Key Points

- Conspicuous consumption is true around the world and is certainly not exclusive to China and other emerging markets, but wasteful buying by the newly rich may be causing the rapidly expanding middle class to follow suit.
- If everyone in the world consumes like Americans currently do, it is estimated that the world will be able to support only 1 billion people, far fewer than the planet’s current 6 billion inhabitants.
- One way to avert this disaster is to curtail consumption. A competing view is that people should continue to consume, but should spend their money on sustainable products.
- Other approaches include educating mass buyers and children to aspire to sustainable consumption rather than conspicuous consumption, and redesigning production, supply chains and other processes so companies produce truly sustainable products.

#### Synopsis

The average American is said to consume 120 tons of raw materials every year, the average German 70 tons, the average Japanese 40 tons and the average Chinese 10 tons. As China and other emerging markets become more affluent, their consumption levels are expected to rise, placing unbearable pressure on the world’s resources.

One school of thought advocates cutting consumption by, among other things, changing the way society regards the buying and display of luxury cars and huge houses, for example. In Sweden, someone who drives a Ferrari and exhibits conspicuous consumption is shunned more often than not. In other countries, in contrast, the same behaviour may be applauded and envied.

A contrary view is that consumption brings happiness and that it is unfair to require emerging countries to limit consumption. The solution is to make sure companies produce truly sustainable products – a hybrid Ferrari, for example, or a mansion built with green materials. Proponents claim that the Internet is limiting aspirations for conspicuous consumption, since social media like Facebook are being used to show off one’s taste in music and books, for example, elevating intangibles rather than physical products.

Whatever the approach, both sides agree that there is a need to strike a balance. Sustainability must somehow be made desirable, something that advertisers and marketers can promote. Mass consumers and children should be educated on sustainable consumption, but those who insist on continuing with conspicuous consumption must not be made to feel guilty, particularly if the products and services they buy are truly sustainable.

#### Session Panellists

**Ola Ahlvarsson**, Chairman and Founder, Result, Sweden

**Nizan Guanaes**, Chairman, ABC Communications Group, Brazil; Media, Entertainment & Information Industry Agenda Council

**Michael Kuhndt**, Head, UNEP/Wuppertal Institute Collaborating Centre on Sustainable Consumption

and Production (CSCP), Germany; Consumer Industry Agenda Council

**Jean-Yves Naouri**, Chief Operation Officer, Publicis Groupe, France

Moderated by

**Deborah Kan**, Presenter and Reporter, Thomson Reuters Asia, Hong Kong SAR; Young Global Leader

### Disclosures

This summary was written by Cesar Bacani. The views expressed are those of certain participants in the discussion and do not necessarily reflect the views of all participants or of the World Economic Forum.

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