

**Brand Management**  
**Professor Abhishek Kumar**  
**Dept. Of Management**  
**Army Institute of Management, Kolkata**  
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Let us move forward. Before we go further you must have noticed a line called pecuniary canons of taste. Now what does this mean? This was there in the previous slide of silver spoon and then in this slide also. Pecuniary means money and canons of taste is the standards of taste. Now what is beautiful, what should be done that has to be decided through pecuniary means. Pecuniary is monetary means.

So if the money involved is more, the taste is also of a higher level. This is the point that we are trying to make through these slides. So luxurious products are expensive products and who has taste for luxury products? People with money. So generally what happens is that people who have money, who they buy these expensive gifts, expensive goods and people around who do not have that kind of money, they look up to these rich people and their consumption and their products and objects that they are consuming and buying and on that basis the poor people also decide what are their aspirations.

So this way the taste in society, the canons of taste in society, the rules that say that this is beautiful, this is not so beautiful, this is good, this is not so good, all of this get decided through the availability of money. So those who have more money, those who are richer, they tend to decide the taste of society. This is what these two slides are trying to tell us. Now another point and it is a related point is conspicuous consumption. Now what is conspicuous consumption? You consume in order to show off.

So people should see that I am using this, I am buying this, I am traveling in this car, I am using this shirt and so on so forth. So consumption that is made for show off. Now obviously if you want to show off it is not going to be cheap. Everything is expensive especially when you are trying to use a product or a service which people will see and admire or they may feel jealous of you that you are able to consume this while they are not able to do it. In this picture you can see that this man has liveried servants.

So you can see there are two people who are serving him. So he is relaxing in a chair whereas one person is probably cutting his nails and giving him a foot massage and the other person is fanning him. Perhaps it is a summer season. Now you may also notice that the two people who are serving him are uniformed. They are both of them are wearing a uniform, a dress, a similar kind of dress.

Now when you as an outsider look at this picture you feel that this is a man who can afford two servants who are doing something very basic which is cutting nails and fanning him because it is a summer season. These are activities that generally we do ourselves. But this man must be rich enough to afford two servants who will do something as basic as this. It does not stop at that. You also see that both these servants are uniformed which means that anybody looking at them can see that his servants are not just servants, they are uniformed servants.

So just by look you can say who is a servant and who is a master. So he is consuming their services conspicuously. Means he is showing off that this is what his stature is in his life. Now what is the price here? What is the cost here? This is something that all of us as brand managers, as business managers must think about. What is the cost? What is the price he is paying to have these two servants serve him in this manner? This is not an irrelevant point.

It is a profound point that we all must think about that the price this man has to pay to have these two liberated servants. This the price may not be in terms of money. Please think about it. It may not be in terms of money. It might be in terms of the status in society that both of them have.

It might be related to the hierarchy in society where some people feel that I am here to serve whereas some people feel that I am the natural master. So what is the cost? Cost is that hierarchy in society where people are shown their places. You are a servant. I am the master. So that hierarchy can also be seen as a cost for society.

Let us look at another slide. Before we go to this slide, we can again go back. Another aspect that I would like to mention is that dress of women. Now you see if you see olden times, women will dress in a certain manner that will prevent them from doing any economic activity. If you remember Victorian dresses, you will see that their waist will be tightened so hard that their waist appears to be very narrow and similarly their bust will be enhanced.

So this is to make them sexually more attractive. Now what really is the message people are trying to give when they dress their women in such a manner? Again similar point like in this slide where you can see liveried servants serving this man. What they are trying to say is that we can afford women to not be economically productive. We can afford women to be pretty women, to be pretty dolls, to wear such dresses and remain at home being pretty, just being there. They do not have to do any work and that is because the owners feel that or the men of the house feel that they earn enough and women do not have to really work.

So essentially what men are saying that we can afford it and women can simply dress well and not bother about any activity that they may like to do or even not like to do. So what I am trying to say is that just like this example, the hierarchy within society, some people at a lower level, some people at higher level and they should remain where they are because these structures are set and the society has to pay a price for that. The same thing applies to women also that women have been long treated as a second grade citizen because men think that they own them and women are the first assets that they, not the first but one of the assets, one of the objects that they own and they flaunt women as objects. So this kind of price, not so much the price but the cost is what we should keep in mind when we are thinking of what is going on behind day to day happenings around us. Let us move further and here we can see, of course some of you may recognize that she is a celebrity, her name is Paris Hilton and she is traveling and how is she traveling? All the brands and products that you can see here are the ones that she can afford.

So she has a dog in her arms, she has an open car, she has a bag, she has an aircraft and she also has a butler. You can see a man who is holding a plate which has two wine glasses. And of course she is wearing perhaps a very expensive dress. So this is also not only an expensive lifestyle but it is an example of conspicuous consumption. She is trying to show people that she can afford all of this.

And just to give one or two examples, look at the dog. Now why is dog an expensive pet and not say a cow or a goat? Think about it. A cow or a goat is a useful animal. Please think about it because cow and goat both of them give milk and with the help of that people live their life. So they are both useful animal whereas a dog is not at all a useful animal.

I mean it may be more like a company but not really a very useful animal. Definitely not a dog of this size. So if it is not useful then it is expensive. That is what I am trying to say or if it is not very useful. So for example silver spoon.

A simple steel spoon can serve the purpose but silver spoon has too much of surplus and the pricing represents that excess surplus. So that is why silver spoon is expensive. So that surplus of what? Surplus of labour, surplus of talent, surplus of time and so on. Similarly in BMW car that is the surplus, surplus of positioning, surplus of aesthetics. Same thing here also she has enormous surplus of money and how will she use that surplus of money through these consumption methods.

So she is consuming a butler service, a private aircraft, a car, bag, dog, presses and so on. See this is what is happening when it, this is what is indicated through the price of

products and services. Let us move further. So in last few slides what we are looking at is an idea called Weblen goods. Weblen goods are the goods whose price increases, sorry whose demand increases if their price increases.

So in this graph you can see that till a point if price increases number of quantities, units purchased goes down. So beyond till a point it behaves like a normal good but beyond a point if the price of that good becomes little expensive or little more expensive after that people start buying it more. So if the product becomes more expensive it becomes more desirable and because it becomes more desirable more people start buying that product. Such goods are called Weblen goods. All the examples that we have seen so far whether it is a silver spoon, whether it is a BMW car or whether the dresses that are owned by Paris Hilton or the cars or the services that she is consuming as they become more expensive their demand also increases.

Now recently you must have seen the news that in the year 2022 Mercedes has sold highest number of cars in India, highest ever. Now it is not that the price of Mercedes has gone down. In fact price of Mercedes has gone up and even though the price of Mercedes has gone up they have been able to sell highest number of cars in India. So that Mercedes is a classic example of Weblen good just like the other examples we have seen so far in the lecture. You can also see the term in the slide written is Snob value.

That Snob value is what attracts people and that is why they go ahead and buy these goods whose price is ever increasing. All these ideas that I am talking about largely come from this book called The Theory of the Leisure Class. This book was written in 1901 and it was written by an economist called Torstein Weblen. So Weblen goods that we have spoken about just now come from the name of this economist Weblen. So Weblen goods are actually named after this economist Torstein Weblen.

So in this book what he does is he establishes a category of people called Leisure Class. What he says is these are the people who have leisure, who can afford leisure, who have enough money to take care of their basic needs and therefore they like to spend their life on occupations, on activities that they enjoy. It could be leisure, leisure means just sleeping around or it can also mean playing sports or reading poetry or writing novels whatever that the person enjoys. So Leisure Class is what he established in economic circles and what he said is the value system of Leisure Class is very different from the value system of the Working Class. And here he was in contrast to what Karl Marx said about Working Class and the Owner Class.

So Karl Marx spoke about Bourgeois and Proletaria, he also talked about Aristocratic Classes whereas Weblen spoke about the Leisure Class and the Working Class. He also

said that people who are at the lower level of income their work is Drudgery. He used the word Drudgery, Drudgery means people who do the same task repeatedly. Repeated nature of work is Drudgery and the others the work that they do is called Heroic Act or Heroic Consumption. So the activity or the life that they lead especially people who belong to the Leisure Class their activity their life can be called Heroic or Heroic Consumption.

They also of course create problems in society and some of those problems are mentioned here. Those problems are first Invenious Consumption. What is Invenious Consumption? We have seen Conspicuous Consumption but this is Invenious Consumption which means that if I am consuming services and products in a certain way or of a certain type it will create jealousy among others. Others will feel get angry at me that I am able to consume these products and services whereas they are not. The way I am living my life I am creating an anger in a certain section of society.

So that resentment that anger that jealousy that gets created in society because I am consuming in a certain way is called Invenious Consumption. So the existence of Leisure Class in society creates this Invenious Consumption. Second point is Conspicuous Consumption. And Conspicuous Leisure which means that when you consume something you consume with a show off. Even the leisure can be conspicuous because say every second month you are going on a European holiday and all of your friends know that you are going to holiday in Europe or in Bahamas or in US or wherever.

So that is Conspicuous Leisure and you are showing off that you are able to afford Conspicuous Consumption and Conspicuous Leisure. So what I am trying to say is that both these ideas both Invenious Consumption and Conspicuous Consumption and Conspicuous Leisure leads to establishment of an idea called Pecuniary Emulation. So whole society especially the ones who are less fortunate they start looking up to people who are able to consume conspicuously both consumption and leisure because they can afford it and they are able to have the good things in life. And most of these good things can be purchased with money. And people in the lower or the lower middle classes or the middle classes they see that the rich people are able to have this because they have more money.

So all of them the ideal system the aspiration levels all get directed towards money and therefore everybody starts making everybody starts emulating or following the standards set by the rich people. So everybody wants to have Conspicuous, everybody wants to buy big cars, everyone wants to have big houses, everyone wants to go abroad for holidays and so on so forth. In the process they don't mind creating jealousy and anger among their friends and family. So everybody starts emulating pecuniary success.

Money represents success if you have more money you are more successful.

This is the value system that gets established in society and the root of this is what we have spoken about just now from the book called theory of leisure class. One final point that dress as an expression of the pecuniary culture. Now all of us wear some kind of a dress men wear shirts and trousers or other ethnic dresses women wear their own kind of dresses but what Thorstein Weblen says that people who wear expensive dresses and particularly that kind of dress which are economically unuseful. If you wear a waistcoat or a three piece suit with a very expensive shoes and belt and your movement is restricted you can't really lift your hand or do anything meaningful with your body. Same thing is the case with women if they are wearing very high heels of sandal or if they are wearing dresses with which they can't really move very easily they can only remain standing at one place.

What happens is it shows that you are able to afford that immobility that you can remain at one place and yet you can enjoy all good things in life. So here I stop and I invite you to think about these issues in a little detailed and deep manner. Where does pricing come here? What really is the cost when we are making our society so hierarchical that we are encouraging each other to be jealous of the other and be angry at one another just because someone has more money and therefore he or she can consume at a higher level of value. I hope you have found this lecture exciting and you have been invited to think a little differently about the idea of pricing and therefore cost. Thank you very much. .