

Title:

Feeling Rich: On the Measurement and Consumer Outcomes of Subjective Wealth

Abstract:

The concept of “subjective wealth”, i.e. the feeling of being rich or poor, has recently become the focus of a burgeoning stream of the consumer research. However, there is still much uncertainty surrounding the meaning and measurement of this construct, as well as the consumer outcomes associated with it. The current project aims to address these theoretical and methodological gaps.

In the first study, we examine how this recent literature has operationalised subjective wealth and compare this to an emerging study of subjective wealth’s constituent dimensions, which include financial well-being, scarcity, slack, constraints, deprivation, satisfaction, and socio-economic status. Our findings suggest that current operationalisations have been inconsistent with broad disparities in items used and often drawn from various sub-dimensions without including all of them. Finally, we propose a refined Subjective Wealth (SW) scale of 6 items by testing 48 items drawn from prior literature.

In the second study, we investigate whether higher perceived subjective wealth increases preferences for liquid (access-based; e.g., Netflix subscription) vs. solid (physical, e.g., a Blu-Ray disc) consumption, as mediated by minimalism. In line with countersignalling theory, we argue that consumers who perceive themselves as wealthier are less likely to feel a need to signal their status through material or “solid” goods and instead opt for their “liquid” counterparts because they are more minimalistic. Findings from a preliminary cross-sectional survey on a representative sample of U.S. individuals (N = 297) provide support for our hypothesis.