

**ALL THAT GLITTERS IS NOT GOLD:  
THE EFFECTS OF MATERIALISM, LUXURY PARTICIPATION, AND INCOME ON SUBJECTIVE  
WELL-BEING**

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**ABSTRACT**

*For centuries, human beings have been told by philosophers, writers, and religious leaders that money cannot buy happiness, and indeed, current research strongly indicates that materialism, or a focus on material goods and consumption, reduces subjective well-being, a proxy for long-term happiness. Recent studies, however, have shown mixed results of the effects of consumption on well-being. Can buying things truly make people happier? This study, involving 400 Mechanical Turk participants, examines the interplay between Materialism, Income, Luxury Participation, and Subjective Well-Being (SWB). Consistent with prior research, results suggest that there is a negative main effect of Materialism on SWB. However, for higher income respondents, the effect is attenuated or absent. For those who have the means to participate in the market for luxuries, it seems that it isn't so bad to be materialistic.*

**Keywords:** *materialism, luxury, income, well-being*

## 1. INTRODUCTION

Marketing is a multi-faceted discipline, including such disparate topics as customer satisfaction, supply chain management, pricing, and social marketing, and these are but a small fraction of the areas of study that the field encompasses. One aspect of marketing, however, has consistently received a considerable portion of the attention among marketing researchers: the study of advertising and how consumers respond to advertising messages.

Many marketing researchers, however, have expressed reservations about the implications of a focus on advertising, in part because there is evidence that marketing efforts to encourage purchasing may lead to more materialistic consumers and encourage financially damaging spending (Kilbourne 2000). Other streams of research suggest that advertising exposure is associated with materialism and perhaps even lower life satisfaction (Atay et al. 2010). Indeed, there has long existed some degree of tension between the desire to understand consumer responses to marketing messages and the fear that a refined understanding of consumers might be used as a tool for exploitation or for antisocial purposes (see, e.g., Cialdini 1984).

If materialism, potentially increased by marketing activities, ultimately leads to lower life satisfaction, it seems incumbent upon marketing researchers to try to understand how these relationships work and to untangle the apparent nexus between materialism and well-being.

The present research thus focuses on the extent to which materialism and the buying behavior it potentially influences affects consumer happiness. In the present research, we focused on two important potential covariates: Luxury Participation or the degree to which an individual thinks about and participates in the market for consumer luxuries, and Income. Through a Mechanical Turk sample of American consumers, we explore the interaction between Materialism, Luxury Participation, Income, and Subjective Well-Being (SWB).