

# Status Updates

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DENNIS GRZENIA AND DANIEL BISCHOFF, MEDIACOM GERMANY 30 NOV 2011

## Consumption is still a means to display social status, but digitisation is changing the game. What does this mean to brand communications?

Cars are one of the world's strongest signifiers of social status and give everyone an opportunity to compare social standing. Today many of the signifiers of our place in society can be seen in the goods we own which provide helpful, and often instant, indications of our place in the social order.

In 1899, Thorstein Veblen, a US economist and sociologist, who became well-known for his 'Theory of the Leisure Class', shaped the term conspicuous consumption'. That is, spending money on visible goods for the purpose of displaying income or wealth – or social status. According to Veblen, the consumption of goods not only satisfied basic needs but also provided a means to build reputation.

This not only promotes and justifies limitless consumption since you can always climb one step higher on the social ladder but also makes consumption a way of communicating our – hopefully rising – status. For instance, we know that owning a Mercedes Benz indicates high status based on income, education, and prestige.

Just think how you react when you meet someone new. You instantly categorise them based on their appearance, their clothes, accessories and cars. We are all exposed to the consumption patterns of those in our reference groups – and seek to replicate the patterns. That is why people consume to keep up with their peers and to impress people in lower social classes.

Richard Centers, author of *The Psychology of Social Classes: A Study of Class Consciousness*, defines social class as follows: “A man’s class is a part of his ego, a feeling on his part of belongingness to something: an identification with something larger than himself.” This definition still holds true but, according to the report ‘Middle Britain’, the traditional markers of social class like job, family background and wealth are fading away. Often people even assign themselves into the wrong social class, e.g. 36% of builders classify themselves as middle class and 29% of bank managers say they are working class.

The traditional boundaries of social classes are fading and they are becoming less significant. The reason being that the traditional ways of differentiation and demarcation such as nationality, religion, or education no longer work as they did in the past.

Instead people search for new reference groups, which results in a more fragmented affiliation. You can be a banker at day and roaming World of Warcraft as an orc at night. One does not rule out the other, since the current profile depends on current reference groups. And in every situation and every area of life, we can use different symbols to display our status.

### **From Physical To Virtual Goods**

As in so many other areas, digital is providing new ways to consume, display and build reputation. In the past, you had to pass my house to see my car. Today, you just have to Google me! On the internet anyone can find enough information to determine the status of others.

And there is a shift from physical status symbols to digital ones. Of course, physical status symbols retain their impact but status is now also conveyed by my Facebook profile and the amount of friends I have or by the magical sword I own in World of Warcraft. This is also the reason why people upload photographs of their (posh) meals. The enabler of these new digital status symbols is the smartphone (a status symbol in itself). It is the physical manifestation of my ability to show my consumption to the whole digital society within seconds.

In addition, if you post something on a social networking site, you reach a minimum of several hundred of people within a second. Digitisation provides the capability to communicate to an infinite audience.

On top of this, virtual goods can also in themselves be used to display my social status and who I am.

Digitisation has become an accelerator of consumption. And all goods must now submit to the mechanisms of this new way of distribution. Physical goods need to offer a fast, ergonomic and effective way to distribute themselves via digital media such as Facebook. This need to show off my physical goods online means that the design of products is becoming even more important, because my possessions have to look perfect in the pictures that I share.

Tools like Instagram have responded to this need by providing multiple filters that can be used to enhance the pictures. Everything I photograph looks great in no time, whether it is a retro sports bike or a meal at my favourite restaurant.

### **New Currencies for a new World**

When we talk about virtual currency, we mean objects in digital environments like game items (the magical sword from World of Warcraft or the tractor from Farmville etc.), that can be traded for real – that is, the old – money. Taking this idea one step further, social media platforms like Facebook, Twitter and YouTube also provide their own virtual currencies, namely ‘likes’, ‘followers’, ‘views’ and ‘subscribers’. Likes and followers are sold for real money, and an increasing number of people have already ‘paid with a tweet’. While the digital immigrant may still distinguish between virtual and real money, digital natives view this distinction obsolete. In the future, it will make no difference, whether I own 1,000 Facebook credits or US\$100 because money is nothing more than an enabler.

The business of virtual goods – especially within (social) browser-based games – has exploded in the last few years. Even if we can play the game for free, costs occur if the gamers wish to add to the game, be it with a bigger farm or a superior spacecraft. Such virtual items have the potential to become the new status symbols. In the US, the virtual goods market already reached US\$1,6 billion by the end of 2010, while social gaming contributed US\$835 million.

### **A Brand New Perspective**

This development not only has an impact on products and goods, but also on communication. The advertising industry needs to embrace this new need to communicate status. This happens both on the creative side – that is design and embellishment – but also on the structural media level.

By integrating portable devices and cloud services into our everyday life, we have already entered the next level in the evolution of media. Media barriers have been lowered and every piece of information

(on signs, ads, products, buildings, and even people etc.) is linked to further content via constructs such as QR codes, augmented reality, or Shazam, to name but a few.

Facebook has become a diary of status symbols – or a ‘museum of me’ as seen in Intel’s campaign (see QR Code). All relevant content is easily gathered by using the omnipresent like button. This mechanism is already heavily used by brands, especially in campaigns with a participatory aspect. People can integrate themselves into movie sequences and even self-produced homemade video content can find its way on the TV screen, as seen in the Deutsche Telekom’s Million Moments campaign. All these brand communications help the user look good to his peer group.

### **The Future: From Aspirational To Meaningful Brands**

In Germany, there is currently an intense debate about forbidding the ‘like’ button. The key argument being that it stores data about consumers who are not Facebook members and have thus not agreed to the storage.

There is very little probability that the ‘like’ button will be banned, but critical voices have been raised and it has already caused suspicion. This is one of the reasons why the ‘like’ button should not be seen as the holy grail of advertising. It goes beyond the likes.

Brands that glue people together in communities go beyond the fulfilment of conspicuous consumption. To be part of a community one has to identify with others. However “classic” prestige-driving or “aspirational” brands tend to stress individualism or even ego (“look what I can afford and you can’t!”) – which is not helpful in the formation of a community.

And let us not kid ourselves: Most people wouldn’t care if 80% of all brands disappeared tomorrow. Products and services are not as attached to brands as we may think.

There are already clear signs of people liberating themselves from the paradigms of the previous decades – individualism, consumerism, mass society – as shown in impressive ways in the uprisings in Spain, UK, and recently with #occupywallstreet in the US. These netizens, digital natives, pirates – or however they might be labelled – are highly suspicious of the old economic structures without being “left”, “green” or any other form of classic anti-consumer-ideology.

In this new environment, trust is established through mutual experiences which take place on social media, no matter if it is politics, brands or products. The way that these new consumers “tribalise” into communities over social networks means brands need to be less pretentious, and make fewer grand

promises, and instead donate value and meaning.

In the future, brands will still be able to leverage the phenomenon of conspicuous consumption, yet they will have to tap into the accelerated opportunities offered by digital media by becoming meaningful brands.

So we see a shift towards brands that give meaning, support consumers who show their sympathy with others and thus foster community. As long as a brand focuses on being aspirational rather than humble, it is highly vulnerable to negative news that gets spread fast over social networks.

A brand that instead positions itself in the community by helping, doing good, being of real value for the community's members is more robust and less likely to be harmed if someone posts a negative comment.

## LITERATURE

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DANIEL BISCHOFF (\*1981)

Research Director at MediaCom Germany

After studying Theatre, Film and Media as well as Philosophy in Frankfurt, Brussels and Berlin, Daniel started his professional career in journalism before heading to the Berlin office of Trend Research

Company TrendONE. He joined MediaCom Germany in 2010 where he founded and heads up Innovation Science, a research unit dedicated to applying trends and innovations to media planning. He and his team work across a broad spectrum of clients and industries.

Daniel can be reached at [Daniel.Bischoff@mediacom.de](mailto:Daniel.Bischoff@mediacom.de).

DENNIS GRZENIA (\*1979)

Research Analyst

After graduating in economics, business studies, and social psychology, Dennis started working for MediaCom as a media planner. Thus he came in touch with various clients from categories like telecommunication, FMCG, and insurance. In early 2010, Dennis became Research Analyst at MediaCom Science and is now responsible for trend research, social media, and communication consultancy.

Dennis can be reached at [Dennis.Grzenia@MediaCom.de](mailto:Dennis.Grzenia@MediaCom.de).

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