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Vertical and Horizontal Individualism As Determinants of Materialism Within and ACross Cultures

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Trinadis' HVIC framework clarifies the relationship between materialism and cultural orientation. Using survey data from seven countries with diverse cultural orientation, we find materialism-success is positively/negatively correlated with VI/HI respectively and that both orientations are positively correlated with materialism-happiness. The individual-level VI effect is stronger when country-level VI is lower.

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EXTENDED ABSTRACT

Materialism is an enduring belief that a person's identity is tied to their material possessions. Richins and Dawson (1992) conceptualize materialism along three dimensions: centrality (things are important to me), happiness (things make me happy), and success (things confer success). A common expectation is that highly individualistic people are more materialistic due to a substitution of goods for social relationships as self-identifiers (Clarke and Micken, 2002; Wong, 1997;); although the support is mixed (Ger and Belk, 1996, 1999; Eastman et al., 1997; Wong, Rindfleisch and Burroughs 2003). We incorporate the vertical-horizontal distinction, which focuses on how much people perceive there to be a strong status hierarchy (e.g., Singelis et al., 1995; Triandis and Gelfand, 1998; Shavitt et al. 2006) to provide further insight into the drivers of materialism.

We expect vertical individualism (VI) to be positively and horizontal individualism (HI) to be negatively related to materialism-success (M-s). People with a VI orientation believe society is strongly hierarchical and that status is achieved through individual success, goods can be used as a signal of success and hence VI should be positively correlated with M-s values (H1). Conversely, people with a HI orientation have an "aversion to conspicuously successful persons and to braggarts, emphasizing instead the virtues of modesty" (Shavitt et al., 2006, p. 326), given the potential for excess consumption to appear immodest, HI should be negatively correlated with M-s values (H2). The values literature which finds that VI is positively, and HI negatively, related to achievement and power values (Oishi et al, 1998). However, since both the VI and HI orientations value hedonism, we expect both VI and HI to be positively related to materialism-happiness (M-h; H3).

We expect the influence of the individual's personal level of VI on materialism will be moderated by the level of VI in their cultural context; a strong VI culture level will lead all members toward higher materialism, due to the influence of social norms on materialism (Ahuvia and Wong, 2002). Whereas people who reside in a low VI culture, but still personally ascribe to a strong VI orientation, should have a closer relationship between their personal VI level and their materialism (H4).

Data was collected from online panels of young adult (age 18-29) in seven countries with diverse cultural orientations. The countries were selected to have at least one country higher on each of the four cultural dimensions (the USA (VI), the UK (VI), Australia (HI), Germany (VI), Brazil (HC), China (VC) and South Korea (VC)). The questionnaire was developed in English and translated into Mandarin, German, Portuguese, and Korean by bilingual translators living in the target countries; then back translated into English by a second translator (Brislin, 1970). Materialism was measured by Richins and Dawson's (1992) 18-item scale. The cultural orientations were measured by Triandis and Gelfand's (1998) 16-item scale.

The materialism-centrality dimension was dropped for sharing too much variance with M-s. Removal of one item each gave the M-s and M-h subscales good model fit (Success: $\chi^2_{25} = 10.11$, $p = 0.07$; CFI = 0.99; RMSEA = 0.06; Happiness: $\chi^2_{22} = 3.76$, $p = .15$; CFI = 1; RMSEA = 0.06) with reliabilities >0.80 and AVEs >0.70. The subscales' metric invariance was assessed by examining the χ^2_{diff} between an unconstrained model and a model in which the measure-

ment weights were constrained equal across all of the countries. Measurement invariance was achieved for the subscales (Success: $\chi^2_{diff3} = 11.33$, $p = 0.01$; Happiness: $\chi^2_{diff3} = 5.07$, $p = 0.17$).

Minor modifications of the VH/IC scale led to a good fit (VI: $\chi^2_{21} = 1.84$, $p = 0.17$; CFI = 0.99; RMSEA = 0.06; HI: $\chi^2_{21} = 0.30$, $p = 0.59$; CFI = 1; RMSEA < 0.01; and VC: $\chi^2_{21} = 0.02$, $p = 0.90$; CFI = 1; RMSEA < 0.01). The reliabilities were acceptable (ranging from 0.73 for VI to 0.87 for VC) and the AVEs suggested convergent validity (ranging from 0.49 for VI to 0.68 for VC). The shared variance was less than the lowest AVE score, supporting discriminant validity. Partial metric invariance was achieved for each subscale (HI: $\chi^2_{diff3} = 5.33$, $p = 0.15$; VI: $\chi^2_{diff3} = 1.93$, $p = 0.59$; VC: $\chi^2_{diff3} = 4.21$, $p = 0.24$; HC: $\chi^2_{diff3} = 6.50$, $p = 0.37$).

The following hierarchical model examines the hypothesized relationships:

$$\text{Multilevel: } \text{MAT}_{ij} = g_{00} + g_{01}\text{MEANVI}_{ij} + g_{10}(\text{VI}_{ij} - \text{MEANVI}_{ij}) + g_{20}(\text{HI}_{ij} - \text{MEANHI}_{ij}) + g_{11}\text{MEANVI}_{ij}(\text{VI}_{ij} - \text{MEANVI}_{ij}) + m_{0j} + m_{1j}(\text{VI}_{ij} - \text{MEANVI}_{ij}) + r_{ij}.$$

i indicates individuals; j indicates groups; MAT represents a person's Materialism and VI and HI represent a person's vertical and horizontal individualism, respectively. MEANVI represents a country cohort's mean vertical individualism.

H1 is supported; the higher a person's VI, the higher the degree of M-s ($g_{10} = 0.65$ ($p < 0.001$)). H2 is also supported; the higher a person's HI the lower the degree of M-s ($g_{20} = -0.05$ ($p < 0.01$)). In addition, both VI and HI are positively related to M-h (H3, VI $g_{20} = 0.48$, $p < 0.001$; HI $g_{20} = 0.16$, $p < 0.001$). Consistent with H1, the degree of country-level VI had a positive effect on M-s ($g_{01} = 0.79$, and to a lesser extent on M-h $g_{01} = 0.61$). The interaction, H4, is also supported; the positive effect VI had on M-s was weaker in cultures with higher VI norms ($g_{11} = -0.12$, $p < 0.05$). VI explains 89% (72%) of the explainable variation in country-level mean M-s (M-h). At the individual level, VI and HI explain 35% (23%) of the within-country cohorts explainable variation in M-s (M-h). Additional analyses showed that Collectivist orientations showed no significant relationship with materialism.

Across seven diverse countries, VI and HI have contrasting effects on M-s and consistent positive effects on M-h. Demonstrating the importance of distinguishing between types of individualism that differ between countries such as Australia (HI) and America (VI). For example, an ad campaign directed at M-h would need limited modification, whereas a M-s ad would need to be modified to suit the cultural differences.

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