

Thorstein Veblen and Albert Bandura: a modern psychological reading of the conspicuous consumer

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Resumo: Thorstein Veblen foi um dos principais responsáveis pelo advento da Economia Institucional Original. A análise social e evolucionária de objetos e pensamentos está no centro da abordagem vebleniana. O conteúdo psicológico dos escritos de Veblen gira em torno da consideração de instintos e hábitos. O objetivo deste artigo é revisitar a psicologia da abordagem de Veblen para o consumidor conspícuo. Este artigo foca na observação e cognição no instinto do trabalho eficiente e formação de hábitos, assim como suas influências no consumo conspícuo. Também é apresentada uma explicação psicológica da importância da classe ociosa para o consumidor conspícuo. Na construção dessa análise, são considerados elementos da teoria do aprendizado vicariante de Albert Bandura. Esses elementos são aqui introduzidos para enfatizar a observação vicariante como elemento central da abordagem de Veblen para o consumo conspícuo.

Palavras-chave: Consumidor conspícuo, Thorstein Veblen, Albert Bandura, Observação, Cognição

Abstract: Thorstein Veblen was a founding father of Original. The social and evolutionary usage of things and thoughts are at the center of Veblen's approach. The psychological content of Veblen's writings takes instinctive and habitual issues into consideration. The proposal of this paper is to revisit the psychology of Veblen's conspicuous consumer. So, this paper discusses the role of observation and cognition in the instinct of workmanship and habit building, and their influence on the conspicuous consumer. A psychological explanation of the importance of the leisure class to the conspicuous consumer is also introduced. In order to build such an analysis elements of Albert Bandura's vicarious learning are taken into account. These elements are here introduced to highlight vicarious observation as a key component of Veblen's conspicuous consumer.

Key words: Conspicuous Consumer, Thorstein Veblen, Albert Bandura, Observation, Cognition

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1. Introduction

Published in 1899, Thorstein Veblen's first book, *The Theory of the Leisure Class* introduced to economic science another way of analyzing consumers' decision making. In an economics' intellectual environment dominated by rational decision-making, given tastes and preferences, and statically built, teleological and individualistic analysis, Veblen offered an alternative. *The Theory of the Leisure Class* introduced a consumer whose decisions rely on habits, socially evolved ways and means, and emulation of higher social classes. In this non-traditional design of consumption, Veblen dealt with psychological, social, anthropological and economic issues. This paper revisits the psychology of Veblen's conspicuous consumer. In doing so, this article introduces vicarious observation as a central issue of Veblen's conspicuous consumer. Vicarious observation is the capacity of an individual to observe and interpret others, identifying who is a model of behavior and put themselves in the place of the model as a way to learn by observation. Vicarious observation was introduced into psychology by Albert Bandura during the second half of 20th century.

Bandura is an extremely important psychologist. In a publication entitled "The 100 Most Eminent Psychologists of the 20th century", Bandura was classified as the fourth most important psychologists and the most important alive today (see Warnick *et alii* 2002). Bandura is one of the most significant psychological researchers who broke from behavioristic approaches. For psychological behaviorism, behavior is a simple stimulus-response relationship. Through an interaction with the environment people learn how to behave according to each kind of given motivation in a stimulus-response logic (see Catania and Harnad 1988 and Skinner 1938). As stated by Bandura, behavior is a more complex subject and it is impossible to analyze behavior without a decision-making framework. In Bandura's theory, behaviors are results of the creation of knowledge according to the perspective of the decision-maker as someone who observes and interprets what occurs around her/him. Observation and cognition are central in Bandura's approach. Here it is emphasized that Bandura's theory fits Veblen's conspicuous consumer in order to enlighten key psychological aspects of Veblen's approach: how conspicuous consumers learn from habits and institutions and how the leisure class becomes the most important institution to conspicuous consumption.

The connection of Bandura's vicarious learning and Veblen's conspicuous consumer demands the discussion of other psychological elements (than the ones Bandura relies on). In

his theory, Veblen introduced his specific notion of instinct. The analysis of this concept is central to study the psychology of Veblen's conspicuous consumer. Hence, previous to the discussion of the association between Bandura's and Veblen's writings, this paper discusses the relationship between Veblen's notion of instinct and William James' approach. James deeply influenced Veblen. Here, the key point to be explored is to understand the association between instincts and goods based on a Jamesian reading of Veblen's notion of instinct.

In the development of this paper three points are central: (1) the relationship between consumers' instincts and goods which can satisfy them; (2) the association of instincts with the socialization process and (3) the place of observation and cognition in conspicuous consumers' social learning. Each point is introduced in an item of the paper. The next item presents the necessity of the association of instincts to goods in order to satisfy consumers. Topic three explores the place of the Veblenian conceptualization of instinct of workmanship, its connection with habits and institutions in the conspicuous consumer's logic. Section four sets up Bandura's vicarious learning as an element of Veblen's conspicuous consumption. In this section the place of observation and cognition in Veblen's conspicuous consumption is stressed. Some final notes close this paper.

2. Instincts and goods

In general lines, Veblen's approach is about institutions mediating the evolution of thoughts of people in a society and their impact on behaviors. This evolution does not necessarily mean improvement, but a cumulative modification. Accordingly, a social organization means a scheme of institutions (Veblen, 1898). For Veblen (1909; 1919), institutions are outgrowths of habits¹. This conceptualization is strong in Veblen's theory. Therefore, Twomey (1998) highlights a key feature of the Veblenian concept of habit: habits are not personal, they contain a social dimension. Taking Veblen's conspicuous consumer into account, the central point is an evolutionary standpoint of how a habitual understanding of goods' meanings and their emulated acquisition take place in a social environment². Habits and "their" institutions are shared among consumers and they are the basis of the social evolution of their decision-making (Veblen, 1899). From this perspective, institutions can be understood as manifestations of habits which generated foreseeable occurrences in thoughts and behaviors of consumers. What are usually chosen for lunch, dress code, Christmas gifts are examples of institutions. Summing up, the evolutionary approach of habits, institutions, and their relationships are core elements in Veblen's analysis. However, there are other

aspects of Veblen's approach associated with consumers' decision-making which can be further explored, such as Veblen's concept of instinct.

Rutherford (1984) argues that Veblen's instinct theory has a minor significance in his studies as habits play the key role in Veblen's institutionalism. I totally agree. However, it is essential to understand Veblen's instinctive approach to comprehend his conspicuous consumer's psychological perspective. The central issue about Veblen's approach to instinct is the unusual perspective he adopted. For Veblen (1914), inner impulses to action are tropisms. Philosophers and psychologists usually use the term instinct for what Veblen called tropism. Veblen also used the term instinct, in a difference sense than the usual, however. According to Veblen, cognitive abilities, particular perceptions and even intelligence are part of instincts (see Cordes 2005). Hence, the Veblenian perspective of instincts takes into account the relationship of decision-makers and the environment around them which is dissonant from the common sense or usual conceptualization. For Veblen, what is learned in the interaction with the external world can compose an instinct. This assumption is central in Veblen's consumption approach, so it will be detailed in this section by the association of Veblen's writings to William James' work. In order to avoid a conceptual mess, the term 'instinct' will be here used as defined by Veblen. The usual conceptualization will be named 'inner impulse'.

It is recognized that psychological insights in Veblen's theory rely on the American pragmatist school of philosophy (see Edgell and Tilman, 1989 and Twomey, 1998). For Twomey (1998), under the influence of these thinkers, Veblen developed his decision-making approach. Taking inner impulses and instincts into account, it can be understood that William James' theory has a highlighted place in Veblen's studies. Hence, this paper resorts to James' approach of inner impulse to understand Veblen's instinct. Nevertheless, it is important to highlight that James' does not share Veblen's definition of instinct. This dissociation does not make it impossible to rely on James to discuss Veblen's perspective, however. According to James (1890; pp. 383): "instinct [inner impulse] is usually defined as the faculty of acting in such a way as to produce certain ends, without foresight of the ends, and without previous education in the performance". There is one key subject related to inner impulses which should be given a lot of attention in an analysis of consumption: an inner impulse generates a robust motivation to behave and by behaving consumers must interact with what allows those behaviors to take place. An inner impulse is an internal and personal force, but to behave, as stated by this force, consumers should deal with goods. Just by consuming goods it is possible to make inner impulses stop pressurizing consumers to behave. If we feel hungry, we eat

food. If we feel cold, we wear more clothes or find a warm shelter. What consumers desire is a response to inner impulses and it is established by goods. Goods which make the inner impulses' pressure stop generate a "comfortable situation" for the consumer. This "comfortable situation" can be named satisfaction (perhaps because of a lack of a better world). The satisfaction of doing what an inner impulse demands is the satisfaction to be free of an inner impulses' pressure. Hence, it is possible to affirm that an inner impulse generates a search for satisfaction³.

A search for satisfaction does not mean that satisfaction always occurs. An inner impulse can stay in a "state of dissatisfaction" over time. This unsatisfactory period varies from an inner impulse to another. Inner impulses and their desirable consequences – the satisfaction of stopping their pressure – do not change; what can change how these desirable consequences can be achieved (acquiring goods in the case of consumption). Such modifications are about the ways and means to get things done (the key point of Veblen's conspicuous consumer theory). For example, there is an inner impulse to eat; however, people do not eat just guided by it. People are used to eating according to a standard: meals are divided through the day; each meal can be divided concerning the kind of nutrients which should be eaten; specific types of food can be avoided because they are seen as not healthy, or some types of food are eaten only on special occasions. What is usual among consumers is the establishment of a relationship among inner impulses and the types of goods which make satisfaction possible. As an example, the British eat different things but there is a typical British lunch. The same is true for Americans, Mexicans, Chinese, Japanese, etc. In order to consume, people establish a relationship between an inner impulse and a good. Veblen's conspicuous consumption is about how this relationship is established (but not only, as next section highlights).

As emphasized by James (1890), relationships between inner impulses and goods are built according to a process called appropriation. Through this process consumers learn how to connect goods to inner impulses in order to attend them. As stated by James (1890), appropriation has no relation to inner impulses. Appropriation is about how to connect inner impulses to goods. To hold the appropriation is a way to secure the satisfaction generated by getting rid of an impulse to behave by behaving (James, 1890; pp. 423). Hence, it is possible to argue that appropriation means that there is an impulse-good connection. This impulse-good connection does not originally exist and it can change over time or be rigidly fixed. It is a matter of how people learn to put their inner impulses into practice. James (1890) emphasizes that human beings are motivated to behave as any other creatures, as well as

human beings' inner impulses being as "blind" as other creatures. The difference is that human beings have memory (James, 1890). Memory implies that results of behaviors can be remembered, and, consequently, repeated (in James' logic). From this perspective, what had been experienced became a condition to behave. Indeed, James (1890) stresses that appropriation is associated with habitualization of how to put impulses into practice, in other words, how to create, or support, an impulse-good connection. For Veblen, appropriation is already part of instincts. From Veblen's perspective, instincts are not only composed of inner impulses, but also practices and impulse-good connections.

An essential point of Veblen's conspicuous consumer is: impulses-goods connections are social issues (Veblen, 1899). Satisfaction, as defined in this paper, is a social issue in Veblen's analysis. By this logic, how to achieve satisfaction through goods is, directly or indirectly, introduced by people other than the person who is dealing with the impulse to behave. In materially less sophisticated societies, it is usually a matter of subsistence. In developed societies, it can be connected to quality of life. There is a cultural learning about how to acquire and use goods to achieve satisfaction. It does not mean that consumers are not passive decision-makers which take the society and culture for granted. Consumers learn how to behave in a social environment. In a society, behavioral results are commonly held habits of thought and behavior which over time becomes conventionalized, formally or informally, and become institutions which assist the appropriation process. As a consequence, the result of a search for satisfaction occurs through the place of institutionalized procedures in consumers' decision-making. That is why habits and institution are stronger than inner impulses and instincts in Veblen's decision-making approach. In this scenario, according to Veblen (1899), there is a particular type of institution which is extremely important for conspicuous consumer's appropriation: the leisure class, the higher social class in material terms.

As stressed by Veblen (1899), the leisure class can be found in its best development in modern societies, because, in modern societies, distinctions between classes are clearly observed as a result of employments differences. Upper classes are by custom exempt or excluded from industrial occupations and they are reserved to certain employments that contain a degree of honor (Veblen, 1899). To be considered part of an upper class or even part of the leisure class means status. Hence, goods seen as objects acquired by the leisure class become a strong signal of success. The existence of the leisure class emphasizes that impulses-goods connections are not only instrumental but also ceremonial (Veblen, 1899). Consequently, the leisure class has an extremely strong impact on impulses-goods

connections and satisfaction associated to consumption. Under these circumstances, the instinct of workmanship plays a central role.

3. The Instinct of Workmanship and the conspicuous consumer

For Veblen (1899), in a materially developed society, goods have ceremonial meanings which deeply mark not only the satisfaction of inner impulses to consume but also instincts themselves. Veblen (1899) stresses that in a society where almost all goods are private properties, the necessity of earning a livelihood is a powerful and a constant incentive for people to consume. As soon as their substance is granted, emulation becomes a key guideline to behavior. Consequently, for Veblen (1899), there is social selection among people based on the capacity to emulate behaviors according to the leisure class' way of life. In this logic, Veblen's conspicuous consumer is always looking to consume as (much as) the higher social class as possible. Accordingly, Veblen's introduces his conceptualization of instinct of workmanship.

The instinct of workmanship is a concept frequently used by Veblen in his analyses. Veblen did not introduce it in a clear or unambiguous way, however (see Rutherford, 1998 and Latsis, 2009). According to Veblen (1914; pp. 25): "Chief among those instinctive dispositions that conduce directly to the material well-being of the race, and therefore to its biological success, is perhaps the instinctive bias here spoken as the sense of workmanship". Cordes (2005) clarifies Veblen's concept arguing that his instinct of workmanship is a generic human feature that guides their lives to the use of goods that give purpose to behaviors. For Veblen (1989; 1914), the instinct of workmanship is one of the most important motivators to behavior. Briefly, it is possible to affirm that the instinct of workmanship is directly related to the inner impulses and instincts whose pressure is satisfied by the material well-being provided by goods.

In Veblen's logic, an instinctive impulse itself has been already modified by habits and institutions, and the instinct of workmanship is included. James (1890) makes an extremely important insight to understand the place of the instinct of workmanship in the psychology of Veblen's conspicuous consumer. For James (1890), habits are able to inhibit inner impulses: "A habit, once grafted on an instinctive tendency, restricts the range of the tendency itself, and keeps us from reacting on any but the habitual object..." (James, 1890; pp. 395) and "In civilized life the impulse to own is usually checked by a variety of considerations, and only passes over into action under circumstances legitimated by habit and

common consent” (James, 1890; pp. 422).

For Veblen (1914), the instinct of workmanship represents several inner impulses and instinctive aptitudes on many levels which canalize instincts to socially learned material aims. Hence, the instinct of workmanship can be seen as part of habits and institutions of the external world that becomes deeply internalized by consumers’ decision making. The instinct of workmanship can be seen as the deepest element of the external world in consumers’ decision-making. Therefore, it is possible to say that Veblen emphasizes a deeper level of habituation which mediates the creation and evolution of impulses-goods connections: the instinct of workmanship. The instinct of workmanship includes a defined purpose; it is the idea of the efficient and emulative use of goods satisfactorily for material aim (Veblen, 1914)⁴.

The motive for a special denomination for the deeply marked habits and institutionalized procedures called instinct of workmanship is its place in what can be understood as a habitual procedure chain. The instinct of workmanship can be understood as a basic kind of habit which supports every other habitual course of behaviors in the emulative logic of consumers. As a result, the instinct of workmanship can be understood as a meta-habit which gives purpose to the satisfaction associated with the consumption of goods. The instinct of workmanship establishes the basis to behave but it is just a method of thought or behavior, it is not the behavior itself. A behavior demands that the drive contained in the instinct of workmanship and habits be put into practice. This performance means the actual acquisition of what the comprehension of facts and values institutionally established by the collective sense stress as what should be consumed. To be an owner of these goods is in itself a major source of satisfaction.

According to this logic, satisfaction is institutionally established. By emulation, consumers learn which goods should be included in their decision-making and how to acquire them. In Veblen’s theory, in societies where subsistence is granted, there is a tendency for consumption to be a result not so much of its physical demands, but social demands. So, satisfaction and its absence are not physical. Dissatisfaction is mental phenomena. In Veblen’s words: “The penalties for failure to apprehend facts in dispassionate terms fall surer and swifter” (1898; pp. 380). Starr (2009), in a Veblenian approach to lifecycle, highlights that a misunderstanding about how to consume can generate “pain of disesteem and ostracism” (Starr, 2009; pp. 52). Dissatisfaction is a result of a failure in emulative logic, in this case the consumer can understand the institutionally evolved impulse-good connection, but the consumer is not able to satisfy the impulse with the related good (because a lack of

financial resources, for example).

In this scenario, a key point in Veblen's conspicuous consumption approach takes place: how goods consumed by the leisure class become goods which can satisfy institutionally evolved impulses to consume. To offer a non-tautological possible answer to that inquiry, it is necessary to stress a previous related subject: how a behavior becomes a habit and how institutionalized procedures become an inner part of consumers' decision-making. Therefore, there is a central issue to be explored: the process by which consumers perceive institutions and their influence in impulses-goods connections. An argument this paper addresses, in Veblen's theory, is: institutions are expressed in habits, and habits are perceived by behaviors of those who put those habits into practices, so perceiving behaviors is central to the transmission of institutionalized procedures and institutions' evolution. From this perspective, by observation of behaviors of others, consumers can actually perceive a representation of an institution and, perhaps, understand what this institution means. Veblen's theory demands a conspicuous consumer who learns how to behave by observation and interpretation of what occurs around her/him.

4. Observation and Cognition

So far, this paper has emphasized the connection between inner impulses to consume and goods, the place of habits and institutions in building that connection and their consequences in search for satisfaction, and the role played by instincts in Veblen's conspicuous consumption. However, there is still a missing link: how consumers actually perceive habits and institutions in the way they influence their behavior. This paper relies on Albert Bandura's vicarious learning as a way of fulfilling this missing link. To make this analysis possible, it is essential to stress a reading of Veblen's conspicuous consumer as an active observer. In this analytical perspective, to socially learn impulses-goods connections and consequent emulative behaviors demands more than observation. It demands vicarious observation. Because learning impulses-goods connections and emulative behaviors are related to individuals' capacities of observation and visualization of herself/himself in the place of who is observed. Analyzing Veblen's conspicuous consumer as an observer, according to Albert Bandura's vicarious learning, makes it possible to address psychological explanations for the reason that makes the leisure class the central institution in Veblen's approach. This paper offers two psychological interpretations of the importance of Veblen's leisure class. One is based on cognition and the other on behavior. They are complementary

and introduced in this section.

In Bandura's perspective, an emulated consumption behavior is recognized as a model and who observes understands that in the same or similar situation the result of the acquisition of a good must be the same as the consequence for the model – satisfaction. According to Bandura (1971), virtually all learning phenomenon results from direct experience, but there is no need for a living situation or a physical interaction among people for a person to gain knowledge – observation plays a central role. A point this paper stresses is: Veblen's conspicuous consumer learns by exactly same process. According to Veblen (1899), a conspicuous consumer emulates the leisure class because she/he is able to perceive the leisure class' consumption standard as a source of satisfaction. It directly relies on observation. This procedure culminates in observation of behaviors related to the leisure class as models, which results in the establishment of impulses-goods connections⁵ (see Bandura, 1971, 1986). Hence, knowledge vicariously created represents a conspicuous consumption impulse to behave. Observing models, consumers can avoid a dissatisfactory connection between impulses to behave and goods when unknown or unfamiliar behavior must take place. Observing others, consumers learn which behaviors are according to the emulative logic of consumption. In Veblen's logic, consumers must identify behaviors related to the leisure class and to be able to act accordingly in order to achieve satisfaction. To highlight how the leisure class has this considerable impact on Veblen's conspicuous consumer, it is essential to emphasize further details of this conspicuous consumption vicarious learning perspective.

Taking conspicuous consumption into account, in addition to observers and models, there are very important objects: what are consumed, goods. A consumer is an observer when she/he watches a behavior, and gives attributes to it, of another actor, the model. In a conspicuous consumption situation, how models acquire goods are the exemplary behaviors. Therefore, by conspicuous consumption vicarious learning, observers learn how to consume by recognizing models, being able to connect those models to goods and putting themselves in the place of those models. The relationship between a model and a good gives some features to this good. By this connection, the good is defined. When this connection is institutionalized, there is a two-way definition: the consumption of goods defines the consumers and the consumers are defined by their consumption of goods, as in the case of goods defined as goods associated with the leisure class. In this situation, the existence of the good is enough for people to perceive a source of satisfaction in consumption.

When there is an observer, a model, and an observed acquisition of good, there is an example-good connection. An example-good connection can be understood as how people

observe the expression of an impulse-good connection by a model. Examples-goods connections are the vicarious learning perspective of impulses-goods connections. An example-good connection has informative and reinforcing functions (see Bandura, 1971; 1986). The former takes place through the recognition of acquisition of good(s) by a model as a source of satisfaction. The latter is connected to acquisition of good(s) by a model as a supporting element to thought and behavior of an observer. The power of the leisure class on consumers' behaviors, in Veblen's theory, relies on its reinforcement. Because when an observer perceives a strong reinforcement, a strong example-good connection is formed, as in Veblen's leisure class. Vicarious reinforcement reaffirms the behavior of an observer through the continuous observation of the behavior of the model (Bandura, 1971; Flanders, 1968).

In Veblen's approach, examples-goods connections and their reinforcements are also associated with the cognitive abilities of consumers. For Bandura (1986), through the observation of performance of others, a person acquires not only patterns of behavior but also a cognitive framework about what some behaviors mean. Cognition reclaims this conceptual content of behaviors (Bandura, 1971; Hodgson, 1985; Melody, 1987). Hence, models can also influence the behavior of consumers symbolically. Learning, even if vicariously, cannot take place without awareness of what a model is and which example-good connection is being reinforced. These symbolic representations can be used later by consumers to guide their behaviors. Bandura and Mischel (1965) points out that vicarious learning is encouraged through exposure to models, but once a person has developed an adequate conceptual repertoire the model can be replaced by a conceptual one which can be cognitively reinforced.

The central role of cognitive abilities in vicarious learning, and its reinforcement, is the consumers' interpretation of examples-goods connections which implies in satisfaction. As there are some situations in which consumers are unable to comprehend the relevant attributes or related behaviors involved, cognitive dissonance occurs, which is an inconsistency between what is understood as a model – and “its” institutionally evolved example-good connection – and what is comprehended as satisfaction of consuming the good. When consumers are able to perceive that they are in a cognitive dissonant situation they try to make it stop since satisfaction is not present anymore. The attempt to avoid cognitive dissonance usually occurs through the replacement of the example-good connection, which comes from a revision in the observation of models and comprehension of institutionally evolved satisfaction of consuming goods. The cognitive dissonance approach allows an interpretation of the cognitive explanation of the importance of the leisure class in Veblen's theory⁶.

To make the definition of cognitive dissonance as clear as possible, the consumption habit of smoking is here stressed as an example. Smoking was chosen because it is a classic example of cognitive dissonance (see Festinger, 1957). A smoker, who has learned that the result of such behavior is ill-health is in a cognitive dissonant situation. Hence, this consumer's actual conceptualization does not mean an institutional impulse to consume cigarettes anymore, as institutional impulses to consume needs a cognitive consonance to exist. In this scenario, a new example-good association is necessary. There are two possibilities for the occurrence of a new cognitive consonance: (1) a modification of behavior because the new understanding of the behavior shows the bad effects of smoking, consequently the smoker may stop (or try to stop) smoking; and (2) a modification of behavior that reinforces smoking; in this case the change focus is on the good effects of smoking (Festinger, 1957). In both cases, the modification is not automatic and if the change occurs, the cognitive dissonance will be eliminated and an impulse – generated by a visualization of another example-good connection – to consume (re)established. However, as the example illustrates, it is impossible to affirm that the perception of demeaning information about the responses will generate modification in behavior. The earlier example-good association does not exist anymore and the observer will need a new one. A new legitimate institutional source of satisfaction to support her/his behavior will be necessary, even if the behavior stays the same as before the occurrence of the dissonance.

Once created, dissonance can persist for long periods, however. In this case, a state of dissatisfaction takes place. In fact, a smoker who looks for a new example-good connection to support her/his current behavior can face difficulties in such a task. There is no guarantee that a cognitive dissonance will be reduced. But, according to Festinger (1957), people feel pressure to produce consonant relationships among meanings and behaviors and thus to avoid dissonance. This pressure relies on social learning. In a society, there is an evolutionary path of meanings that a consumer can adopt to interpret behaviors and to perceive examples-goods connections. Through a collective comprehension, the cognitive dissonance is usually reduced. Festinger (1957) highlights that culture or group standards can present what fits in a cognitive sense. In Earl and Wicklund's (1999) explanation, a person can achieve consistency in her/his cognitive abilities by taking the path that is more resistant to change. Indeed, a contemporaneous smoker does not discover that consumption of cigarettes is bad for hers/his health. She/he already knows it when she/he starts to smoke. The point is a smoker is able to find another cognitive consonant relationship. In Veblen's theory, the leisure class represents the evolutionary path of meanings and behaviors more resistant to change that a consumer can

adopt to interpret behaviors and to perceive examples-goods connections. This is a cognitive explanation of the reason that the leisure class is central in Veblen's study.

Taking the complementary behavioral explanation to the cognitive one into account, groups' formation plays a key role in the significance of the leisure class in Veblen's conspicuous consumption. Within a group, examples-goods connections are stronger because a group means a snowball effect on models. Rarely do observers restrict their observation to a single model or adopt the features of just one of them. People are connected to a set of models and each connection has a different intensity because of different levels of reinforcement (Bandura, 1965; 1971; Bandura, Ross and Ross 1963). Developing groups have a close relationship to observation of several models simultaneously. A group means a large set of models emphasizing the same behavior. In a vicarious learning environment, the subsequent behaviors of observers become more similar to the observed behaviors of models (see Flanders, 1968). An observer is successful when she/he is able to behave as the model. In this case, the observer becomes a model herself/himself. When this process occurs a snowball effect takes place.

Behavior and reinforcement snowballs occur when people are motivated to follow the action of others by their recognition and reinforcement in several different models. Hence, there is a behavior strongly reinforced in a group, giving observers an acute sensation of cognitive consonance and allowing their decision-making. Groups stress models of behavior which become models for every member of the group, as well as for people who would like to be considered a member. To be able to act according to group's model is not just a matter of cognitive abilities but also of resources to put such behavior into practice. Indeed, when a consumer observes group's behaviors, examples-goods connections are not just a relationship between an observer and a model. There are a large number of models.

According to Veblen (1899), in a society there is a set of models which corresponds to society's "best" achievements. Hence, consumers will try to behave as those models. This procedure generates a self-supporting snowball effect and, consequently, models highlighted and legitimized by the group which are generated through this process. When such a development occurs, there is the presence of several models which highlight similar kinds of behavior. This means that an emulated type of behavior was created. A type can be understood as institutionalized models which have some similarities in behaviors they reinforce. Veblen identified the leisure class as the central type of consumption behavior. This is the behavioral perspective of the vicarious observation basis of the emergence of the leisure class.

Taking into account behaviors already understood and typified, such behaviors occur recurrently when consumers face the same, or a similar, context and have enough resources to act in such a way. When repetition occurs, a habit may emerge (Berger and Luckmann, 1966; Hodgson, 2002; 2003). Any behavior that is repeated frequently becomes (part of) a pattern. Consumers who acquire a habit are familiar with a type, which generated and established the habit, and/or the environment where such a habit takes place. This familiarity comes from observation of the same behavior and its reinforcement – and, consequently, examples-goods connections – several times, which occurs not only as a result of a snowball effect, but also through the perception of the same or a similar scenario where an already learned behavior culminated in satisfaction. A habit strongly relies on cognitive consonance and the ability of a consumer in theorizing what had been vicariously learned. A habit is based on a type, hence habits express models continually and powerfully reinforced, as in Veblen's leisure class.

Analyzing habits allows the discussion of an additional kind of reinforcement, which is reported by Bandura (1971; 1986) as self-reinforcement. Self-reinforcement takes place when consumers behave based on a previous behavior they vicariously learned. This is a matter of self-regulation and it happens when what was vicariously learned becomes present in an inner part of the consumer's decision-making process. The use of habits, for instance, represents a self-reinforcement. Habits express retention of related type and institutionally evolved examples-goods connections; as a result, the type and its models can be observationally absent (see Bandura, 1965; 1986; Bandura and Michel, 1965; Berger, 1962). However, retention does not mean that there is an unchangeable decision-making framework, because consumers are still susceptible to vicarious learning. A type results from a cumulative evolution of vicarious learning. In a modern society, models are spread and, consequently, they become something regular in the behaviors of those able to behave accordingly. This process not only generates habits, but also institutions (outgrowth of those habits). In this light, institutions, as recognized in the perspective of Veblen's conspicuous consumers based on a vicarious observation foundation, represent cognitive consonances of the typification of foreseeable regularities in consumers' behaviors in a society. This typification is based on behaviors emphasized by the leisure class.

Hence, it is possible to argue that, in Veblen's conspicuous consumer approach, institutions come from what had been observed, understood and learned in society through time. Observation, interpretation, and theorization result in a collective approval and reinforcement. The anticipation allowed by institutions implies the establishment of a path of what is, or what is more likely to be, observed and consumed. So, indeed, vicarious learning

is connected to learning from observance of how institutions work. In a social structure, where consumers are able to perceive and comprehend institutions and acquire related habits, observation still happens but some examples-goods connections have already been learned by interaction with institutions. Consumers' self-reinforcement supports the cumulative features of institutions, mainly because self-reinforcement expresses that an institutional set as a main source of satisfaction which inhabit the logic of consumers.

5. Final Comments

This paper introduces some outgrowths of psychological elements associated with Veblen's conspicuous consumer. Those elements are closely related to how consumers perceive habits and institutions and how they impact on consumers' decision-making. Clearly, this article does not exhaust the possibilities of the association between modern psychology and Veblen's conspicuous consumer. The present study limits itself to a specific segment of psychology: Bandura's vicarious learning (plus Festinger's cognitive dissonance theory). In doing so, this paper is focused on five central issues: (1) Veblen's instinctive theory is in fact a social approach; (2) vicarious observation as a key variable to understand the psychology of the conspicuous consumer; (3) the importance of the leisure class for Veblen's conspicuous consumer relies on cognitive consonance and snowball effects in groups' formation; both imply in typification of exemplary behaviors; (4) consumers' behaviors is not only vicariously and cognitively reinforced, but there is also a consumers' self-enforcement expressed in habits of consumption and institutions formation as outgrowths of habits.

Footnotes

1. Hodgson (1998) defines what can be understood as the Veblenian concept of habit as a largely non-deliberative and self-actuating propensity to engage in a previously adopted pattern. A habit is a propensity to think or behave in particular way in specific situations. Hence, habits can be unused for a long time since they may exist even if they are not manifested. A habit is a form of self-sustaining non-reflective thought or behavior that arises in repetitive situations, but habit is not repetition (Hodgson, 2004). Habits are formed through repetition; they are influenced by prior activity and have durable and self-sustaining qualities (Hodgson, 2002). Habit does not mean thought or behavior either. Habits are potential thought or behavior; they can be triggered by an appropriate stimulus or context (Hodgson, 2002; 2004).
2. In this paper I mention "Veblen's conspicuous consumer" not as a category but in order to emphasize this feature of consumers as analyzed by Veblen. For Veblen (1899), as soon as subsistence is granted, every consumer engages in conspicuous consumption.
3. Considering consumer's inner impulses and the satisfaction in acquiring goods which make inner impulses' pressures to stop, to think of a pleasure-pain reading is almost direct. Consequently, it is

important to highlight that Veblen rejected the utilitarian pleasure-pain decision-making logic (see Veblen, 1898; 1909; Argyrous and Sethi, 1996). Usually, the passage below is cited as a strong disapproval of a traditional economics' decision making approach (it is, indeed): “*The hedonistic conception of man is that of a lightning calculator of pleasures and pains, who oscillates like a homogeneous globule of desire of happiness under the impulse of stimuli that shift him about the area, but leave him intact. He has neither antecedent nor consequent. He is an isolated, definitive human datum, in stable equilibrium except for the buffets of the impinging forces that displace him in one direction or another... The later psychology, re-enforced by modern anthropological research, gives a different conception of human nature. According to this conception, it is the characteristic of man to do something, not simply to suffer pleasures and pains through the impact of suitable forces. He is not simply a bundle of desires that are to be saturated by being placed in the path of the forces of the environment, but rather a coherent structure of propensities and habits which seeks realization and expression in an unfolding activity*” (Veblen, 1898; pp. 389-90). Veblen believed that just an individualistic pleasure-pain reading of human behavior is not enough. From a Veblenian perspective, the socialization process gives other layers to decision-making.

4. As highlighted by Latsis (2009), the instinct of workmanship is not the only representation of habits and institutions deeply internalized by decision-makers analyzed by Veblen. The parental bent and idle curiosity are the others. Taking into account the aim of this paper, just the instinct of workmanship is the analysis in focus here.
5. To make the approach between Veblen's conspicuous consumer and Bandura's vicarious learning clearer, this paper relies on a simplification. As stated by Veblen (1899), not every single consumer directly emulates the leisure class. In a stratified society and according an emulative logic, people try to follow the consumption standard that fits in with the social class they are, or would like to be, into. In Veblen's theory, every consumer thinks and behaves like that. As the leisure class is the higher social class, every consumer emulates the leisure class. Hence, the leisure class is emulated both directly and indirectly. As a matter of simplification this paper takes into account consumers who directly emulate the leisure class, because this situation offers a clearer connection to vicarious learning.
6. The theory of cognitive dissonance is a psychological approach introduced by Leon Festinger (1919-1989). As with Bandura, Festinger's research relied on alternatives to the dominant behaviorist psychological approaches. Festinger himself did not work with vicarious learning. His cognitive approach is not incompatible with Bandura's theory, however. Festinger is also an important psychologist as well, as his theory of cognitive dissonance is recognized as an essential one. In “The 100 Most Eminent Psychologists of the 20th century”, Festinger is in the fifth position (see Warnick et alii 2002).

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