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## **Snob Effect, Bandwagon Effect and Financial Behavior: A Comparative Study among Spanish and Turkish Students**

*Snob Etkisi, Bandwagon Etkisi ve Finansal Davranış: İspanyol ve Türk Öğrenciler Arasında Karşılaştırmalı Bir Çalışma*

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**Abstract:** There are some determinants affecting households' financial behaviors, financial attitudes, and financial literacy such as gender, age, pre-knowledge on personal financial issues, education level and income level. This study tried to find out new possible determinants for financial behaviors. The study aimed to investigate the associations between financial behavior and snob effect and bandwagon effect among university students in Spain and Turkey. An online survey instrument was used for data collection. Totally 367 students from Spain and Turkey were included in the research. The Independent Samples t-Test was used for data analysis. The study found a negative association between being a snob person and having a positive financial behavior for Spanish and Turkish students. Students who tend to be snob had a lower level of positive financial behaviors than those who don't have any tendency to be a snob. Bandwagon effect didn't influence having positive financial behavior for both Spanish and Turkish participant students in this study. Students who care for longer-lasting products had a higher level of financial behavior than those who don't care for longer-lasting products. This study concluded that the snob effect leads to negative financial behavior. On the other hand, comparison shopping for longer-lasting products positively affects the financial behaviors of students. Policymakers might use the results of this study to increase the level of positive financial behavior of individuals. Considering the snob effect as a determinant of financial behavior as well as the main known determinants might produce beneficial results for enhancing financial behavior and financial literacy.

**Structured Abstract:** The purpose of this study is to find out new determinants in terms of financial behaviors of university students. Thus, the study investigates relationship between financial behavior, and snob effect and bandwagon effect among Spanins and Turkish students. In this context, this research seeks to find out an appropriate answer to the following question: "Is therea realtionship between snob and bandwagon effect, and financial behavior? Considering that financial behavior significantly affects the sustainable economic lives of individuals, possible new determinants of financial behaviors will provide new knowldge to develop the new policies in households' economic life.

As an importantpart of financialliteracy, financialbehaviorconsists of andividuals' positive and negative behaviors related to overall Money management such as actively saving for long-term, paying bills on time and plan for future economic life. There are some determinats of positive and negative financial behaviors that could be found in previous literature. All determinats of financial behaviors, such as gender,

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age, education level, income level, pre-knowledge on personal finance directly affect the decisions of managing money. However, this study focuses on the impacts of snob effect and bandwagon effect as possible determinants of negative financial behaviors. Snob effect and bandwagon effect that affect consumers' behaviors and consumptions are examined by using total financial behavior score gathered from the sample of the study. People generally make irrational choices due to some social and psychological factors, which lead to consumption externalities in the market. As a negative network externality, Snob effect decreases demand for a good due to others' consuming the same good. Although snob effect has an opposite meaning but it has a symmetrical relationship with the bandwagon effect. Bandwagon effect representing the positive network externality increases the demand for a product. In other words, bandwagon effect shows the desire of individuals to buy goods to conforming to the individuals they want to have a relationship with. As indicated in the previous literature social and psychological factors as well as psychological satisfaction and functional value are essential determinants for consumers' attitudes.

Financial behavior survey which is open to all voluntary participant students was used for gathering data. 367 fully completed survey forms were included in the study for data analysis. To get the financial behavior score, the survey included 13 survey questions. Financial behavior score was reached by using close-ended questions dealing with individuals' financial behaviors. On the other hand, four independent variables including snob effect, bandwagon effect, effect of longer-lasting product and higher-quality products were included in the research. For data analysis, the Independent Samples t-test was applied to analyze data by using SPSS 21.1 statistics programme.

This study is important for reaching new determinants for individuals' financial behaviors. As shown in the following table, snob effect was found to be positively associated with financial behavior for Spanish and Turkish students. The financial behavior levels of students who have tendency to be a snob was found to be lower than others. Thus, this study concludes that the snob effect negative association with having positive financial behaviors both for Spanish and Turkish students. If students are provided with sufficient financial knowledge about personal finance, the negative influence of the snob effect can be reduced. It was also found that Spanish students who prefer longer-lasting products had a higher level of financial behaviors. On the other hand, there was no association between positive financial behavior and preference of products among Turkish students. Also, this research didn't find any relationship between financial behavior and bandwagon effect and higher-quality products for students from Spain and Turkey.

This study concluded that snob effect has a strong and significant negative association with positive financial behavior of students for both countries. Thus, the snob effect can be accepted as a determinant of financial behaviors as well as gender, age, education and income. It was also concluded that individuals who care about products' quality have positive financial behaviors. The behavior of making products' comparisons was found to be a determinant which positively affects financial behaviors. People who exaggerated respect for a high social position have a lower level of financial behavior. The results of this study have useful information for policymakers who want to increase the level of positive financial behaviors and financial literacy of individuals in society. It should be taken into account that the snob effect can have negative impact on positive financial behaviors. It might be accepted as a determinant of financial behavior and financial literacy.

**Table 1:** Independent Samples t-test for Spanish and Turkish Students

Groups	Spain				Turkey			
	M	Sd	t	p	M	Sd	t	p
<b>Snob effect</b>								
Using it less	5,97	3,11	-2,51	,013	6,55	3,11	-2,04	,042
Using it the same as before	7,33	3,01			7,35	3,05		
<b>Bandwagon effect</b>								
Buy that product	7,11	3,96	0,36	,718	7,09	2,25	0,17	,863
Do not buy that product	6,93	2,50			7,02	2,82		
<b>Longer-lasting</b>								
No	6,20	2,63	-3,47	,001	6,77	2,79	-0,85	,396
Yes	7,78	3,29			7,14	2,64		

Higher-quality								
No	6,42	3,14	-1,78	,076	6,70	2,75	-1.33	,184
Yes	7,30	3,02			7,23	2,63		

**Keywords:** Economics, snob effect, bandwagon effect, financial behavior, university student

**Öz:** Cinsiyet, yaş, kişisel finans ile ilgili ön bilgi, eğitim düzeyi ve gelir seviyesi gibi hanehalkının finansal davranış, finansal tutum ve finansal okuryazarlığını etkileyen bazı belirleyiciler bulunmaktadır. Bu çalışmada finansal davranışa yönelik olası belirleyiciler tespit edilmeye çalışılmaktadır. Bu çalışma, İspanya ve Türkiye'deki üniversite öğrencilerinde finansal davranış ile snob etkisi ve bandwagon etkisi arasındaki ilişkiyi incelemeyi amaçlamıştır. Verilerin toplanması için çevrimiçi anket kullanılmıştır. Çalışmaya İspanya ve Türkiye'den toplam 367 öğrenci dahil edilmiştir. Verilerin analizi için Bağımsız Örneklem t Testi kullanılmıştır. Çalışmada, İspanyol ve Türk öğrenciler açısından Snob olmak ile olumlu finansal davranışlara sahip olmak arasında negatif bir ilişki olduğu tespit edilmiştir. Snob olma eğiliminde olan öğrencilerin bu eğilime sahip olmayan öğrencilerden daha düşük düzeyde olumlu finansal davranışlara sahip olduğu tespit edilmiştir. Bandwagon etkisinin her iki öğrenci grubu için de olumlu finansal davranışa sahip olma üzerinde hiçbir etkisi olmadığı sonucuna ulaşılmıştır. Ayrıca, daha dayanıklı ürünlere önem veren öğrencilerin önem vermeyen öğrencilerden daha yüksek düzeyde finansal davranışa sahip olduğu bulunmuştur. Bu çalışma, snob etkisinin olumsuz finansal davranışa yol açtığı sonucuna ulaşmıştır. Öte yandan, dayanıklı ürün satın almaya yönelik karşılaştırma yapmanın öğrencilerin finansal davranışlarını olumlu etkilediği belirlenmiştir. Politika yapıcılar bireylerin olumlu finansal davranış düzeyini artırmak için bu çalışmanın sonuçlarını kullanabilirler. Bilinen temel belirleyicilerin yanı sıra snob etkisinin de finansal davranışın bir belirleyicisi olarak düşünülmesi, finansal davranış ve finansal okuryazarlığı geliştirmek için faydalı sonuçlar ortaya çıkarabilir.

**Anahtar Kelimeler:** İktisat, snob etkisi, bandwagon etkisi, finansal davranış, üniversite öğrencisi

## 1. Introduction

Financial behavior is an essential part of financial literacy as well as financial knowledge and financial attitude. Financial behavior is a person's action about responsible (positive financial behavior) and irresponsible (negative financial behavior) money management practices. According to OECD (2020), negative financial behaviors such as not actively saving, failing to pay bills on time, not comparing shop and having no plan for future may negatively affect peoples' financial condition and well-being. There are some determinants of financial behavior and overall financial literacy indicated in the previous literature (Lusardi, Mitchell &Curto, 2010; Vieira &Kirch, 2015; Potrich, Yoshino, Morgan & Trinh, 2017; Meyer, 2017; Ergün&Serel, 2019). There is no doubt that the right financial decisions will lead to the right financial behaviors. Some of the factors related to attitudes of money management affect financial decisions. Also, there is an association between consumers' financial behavior and financial literacy necessary to make important and required financial decisions (Shih &Ke, 2014). Although the impact of financial education on financial behavior is less certain, financial literacy directly affects financial behavior (Mandell& Klein, 2009, 17). Besides, self-esteem also affects financial behaviors thorough perceived financial knowledge (subjective financial knowledge). The relationship between financial behavior and self-esteem which has a different influence in financial practices can be direct or indirect (Tang & Baker, 2016). On the other hand, this study mainly investigates the impacts of snob effect and bandwagon effect as possible determinants of financial behaviors. Snob effect and bandwagon effect are analyzed through the total of the positive financial behavior score collected from the sample because they are related to consumers' behaviors and consumptions.

Even though people generally make rational choices, they tend to consume conspicuous goods and purchase symbolic products because they are sometimes influenced by social and psychological factors (Akova& Kantar, 2020: 1606). These differences in consumers' behaviors

raise the need for dealing with consumption externalities in the market. Consumption externality which is a result of social effect (network externalities) means that a consumer's utility is determined by the impact of other consumers as well as individual preferences and products characteristics. Snob effect and bandwagon effect constitute of two main network externalities. While the bandwagon effect is a positive network externality (increasing demand for a product), the snob effect is a negative network externality (decreasing demand for a good) (Kovács, 2015, 375). In their study, Merello, de la Poza and Jódar (2020) developed a behavioral mathematical model explained by hedonistic and conspicuous consumption, the bandwagon effect, economy, and psychological, technological, and demographic characteristics. The results represented that total impulsive and pathological buyers increased in all the economic scenarios. According Corneo & Jeanne's (1997) model focusing on consumption norms, the model approach seems especially adapted to consumption norms because it lends itself easily to the analysis of snob and bandwagon effects. Bandwagon effect refers to an increase in demand for goods due to others' consuming the same goods. It shows the desire of individuals to buy goods to conforming to the individuals they want to have a relationship with. Snob effect refers to a decrease in demand for goods due to others' consuming the same good. This effect represents to be exclusive and different from the common herd. Snob effect has an opposite meaning but it has a symmetrical association with the bandwagon effect (Leibenstein, 1950). Snob people buy products to maintain the status level they attribute to themselves in society. However, when a product begins to be used by many consumers, snobs can reduce the value they give to that product (Bekir, El Harbi & Grolleau, 2013). Eastman, Iyer, Shepherd, Heugel and Faulk (2018) suggests that the snob effect is a more dominant behavior for individualists, while the bandwagon effect is a behavior more specific to collectivists. Van Herpen, Pieters and Zeelenberg, (2009) indicated that individuals do not prefer to purchase more exclusive yet abundantly available goods. They choose more popular goods in high demand, which is less available to buy. This situation leads consumers to avoid jumping on the bandwagon. In this context, it can be accepted that the snob and bandwagon effect have some reasons arising from both individual psychology and social structure of the society.

Snob effect, bandwagon effect and Veblen effect constitute individuals' three distinct consumption effects, and these types are associated with luxury consumption. The bandwagon effect is related to conform to social norm (buying popular luxury goods). The snob effect indicates a willingness to be special (seeking uncommon luxury goods). The Veblen effect is a price based (positive effect of the price) (Tsai, Yang, Liu, 2013). This study only focuses on the relationship between financial behavior and snob and bandwagon effect, and it does not include the Veblen effect in the study. Snob or bandwagon consumption is affected by consumer personality factors (Kastanakis & Balabanis, 2014: 2152). Dhaliwal, Singh and Paul (2020) indicated that variables that can be evaluated within the context of socio-cultural factors such as snob effect, bandwagon effect, collectivist, social value, conformity, and normative influence impact positively to purchase luxury goods. Financial behaviors mostly depend on socio-economic characteristics having the possibility to affect the consumers' personality and purchasing behaviors. As the need for learning increases, consumer tendency towards demands for luxury consumption such as snob effect and bandwagon effect decrease. Barrera and Ponce (2020) suggest that the need for learning is negatively associated with snob and bandwagon traits. Social and psychological factors are important for the consumption of a product. In their study, Kim and Jang (Shawn) (2017) suggest that both psychological satisfaction and functional values (coffee and service quality, and atmosphere of the cafe) impact the behavior of Asian coffee shop consumers. Johnson, Tariq and Baker (2018) showed that a pro-social self-concept and need for status are positively associated with the conspicuous consumption of pro-social products.

Both financial behavior and snob and bandwagon effect can be explained by socio-cultural variables. In this respect, this study seeks to answer the following research question: "Is there any association between financial behavior and snob and bandwagon effect? The first section above

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investigated the relationship between financial behavior and the snob effect and the bandwagon effect. Second section is the method section in which the data is analyzed. The third part contains the results of the research. The last part includes the section of discussion, conclusion and possible implications.

## **2. Method**

### **2.1. Sample and Data Collection**

For comparative research, it was used a financial behavior survey which was created by the author of this study. The survey was open to all voluntary participants at two institutions. The survey was sent the emails of the students and also shared on social media. Since it was difficult to reach sufficient number of participants in the voluntary online survey, sample size was not determined for the research. Instead, it was tried to reach as many participants as possible. The survey was shared with both university students between June 2019 and October 2019. The link of the survey was sent to students' emails. The survey questionnaire consisted of a consent form which shows students' willingness to participate in the research. To complete the survey questionnaire, the students spent approximately 5 minutes. To apply the online survey questionnaire; required ethical committee approval with the decision of 16/02/2021-E-19928322-050.06-11318 was obtained for this study. Since an ethics committee report was not required for all survey studies in 2019, no ethics committee report was obtained except for the permission of administration of the University. After finishing the application of the survey, 436 responses were obtained. However, only 367 fully completed survey forms were included in the study.

### **2.2. Dependent Variable**

To reach the financial behavior score (dependent variable) for both countries' students, total of 13 survey questions were included in the research. Important elements of financial behaviors such as saving regularly and for emergency, budgeting, comparing products when shopping and paying bills on time were included to measure the financial behavior score of university students participated in this study. Financial behavior score was calculated by using close-ended survey questions related to essential elements of the financial behaviors of individuals. Following questions were used in the survey: "*Spending according to the personal budget; being aware of the economic situation, saving for future, paying monthly bills on time, having a monthly budget plan for expenditure, having a retirement account, saving for unpredictable situations, having a written budget plan, having enough money each month, comparing products for shopping, saving regularly for long-term goals, having enough money for an emergency, and having an investment account*". Maximum possible positive financial behavior score was 13.

### **2.3. Independent Variables**

In depended variables of this study were related to purchasing priorities of individuals and their relationship with financial behaviors. The main purpose was to find out any associations between financial behavior and snob and bandwagon effect. To reach this purpose, four variables related to snob effect, bandwagon effect, effect of longer-lasting product and higher-quality products were included in the study. To measure the snob effect, the first category of the snob effect group (I begin to use it less) was determined as a category of positive answer for snob effect. To measure the bandwagon effect, the first category of the bandwagon effect group (I buy that product) was determined as a category of the positive answer for the snob effect. Apart from these two groups, two more groups were used to measure the effect of longer-lasting products and higher-quality products (Would you prefer a personal product just because it lasts longer? /Would you prefer a personal product for only its quality?). It was investigated whether there was a relationship between financial behavior and seeking longer-lasting products and higher-quality products.

## **3. Analysis**

The Independent Samples t-test was applied to analyze data by using SPSS 21.1 statistics programme. The purpose of the analysis was to find out whether there were any significant associations between each groups' independent variables. Before analyzing the data, the assumptions of normality was tested. The values of skewness and kurtosis were evaluated to process of normality analyses. The coefficients of skew and kurtosis were found that their values were between -1 and +1, which indicates the normal distribution (Hair et al. 2014). Each positive answer was given 1 point to calculate the financial behavior score. For example, if a student answered "I begin to use it less" to a question (Would you prefer a personal product just because it lasts longer?), it was accepted as 1 point. Thus, all positive answers generated the total financial behavior score. After reaching a total financial behavior score, it was included in the Independent Samples t-test analysis.

#### 4. Results

Table 1 displays the independent variables of the sample from Spain and Turkey. The sample of Spain includes 172 students while students from Turkey consist of 195 participants. Total of the two samples consists of 367 participant students. To measure the snob effect and bandwagon effect, the following questions were asked to the students:

1. "When a personal product you own becomes popular among the general population, what would be your response to that situation?" 24.4% of Spanish students answered that they begin to use it less, indicating snob effect. 39.5% of Turkish students responded that they begin to use it less, indicating snob effect which is higher than Spanish students.

2. "When a product you do not have begins popular among the general population, what would be your response to that situation?" 34.9 % of Spanish students answered that they buy that product, indicating bandwagon effect. 26.7% of Turkish students responded that they buy that product, indicating bandwagon effect which is lower than Spanish students.

The third question item investigated the relationship between product durability and purchasing preference: "Would you prefer a personal product just because it lasts longer? While 49.4% of Spanish students answered that they can choose it, only 27.2% of Turkish students positively responded to that question item, representing a lower percentage than Spanish students. The fourth question was about the quality of a product: "Would you prefer a personal product for only its quality? 34.3% of Spanish students answered that they can choose it only for its quality. Positive response percentage of Turkish students was 35.9%.

**Table 1:** Independent Variables

<i>Independent Variable</i>	<i>Spain</i>		<i>Turkey</i>	
	<i>N</i>	<i>%</i>	<i>N</i>	<i>%</i>
<i>Gender</i>				
Male	77	44.8	87	44.6
Female	95	55.2	108	55.4
<i>Snob effect</i>				
I begin to use it less	42	24.4	77	39.5
I go on using it the same as before	130	75.6	118	60.5
<i>Bandwagon effect</i>				
I buy that product	60	34.9	52	26.7
I do not buy that product	112	65.1	143	73.3
<i>Longer-lasting</i>				
No	85	49.4	53	27.2
Yes	87	50.6	142	72.8
<i>Higher-quality</i>				
No	59	34.3	70	35.9
Yes	113	65.7	125	64.1

Since this research investigates the relationship between financial behavior and snob and bandwagon effect, 13 financial behavior questions were included in the study. Table 2 shows positive answers to the survey questions aiming to measure financial behavior scores of the participant students from two countries. The highest financial behavior scores for both countries are about the item of “BI4: Paying monthly bills on time. 80.2% of Spanish students answered positively to that question. On the other hand, 87.7% of Turkish students gave positive answers to that question item, which is a slightly higher percentage than Spanish students. The lowest percentage for Spanish students was on the question item of “BI8: Having a written budget plan”. 26.7 of Spanish students indicated that they have a written budget plan. The lowest percentage for Turkish students was on the question item of “BI13: Having an investment account”. 17.9% of Turkish students indicated that they have investment accounts, indicating the lowest positive answer in all financial behavior questions. On the other hand, 84.2% of all participant students gave positive answers that they pay their monthly bills on time. However, only 26.7% of all participants have investment accounts.

**Table 2:** Descriptive Statics for Financial Behavior Items (BI)

No	Financial Behavior	Spain		Turkey		Total	
		N	%	N	%	n	%
BI1	Spending according to the personal budget	104	60,5	123	63,1	227	61,9
BI2	Being aware of the economic situation	113	56,7	68	34,9	181	49,3
BI3	Saving for future	85	49,4	126	64,6	211	57,5
BI4	Paying monthly bills on time	138	80,2	171	87,7	309	84,2
BI5	Having a monthly budget plan for expenditure	88	51,2	125	64,1	213	58,0
BI6	Having a retirement account	83	48,3	49	25,1	132	36,0
BI7	Saving for an unpredictable situations	99	57,6	46	26,7	201	57,2
BI8	Having a written budget plan	46	26,7	66	33,8	112	30,5
BI9	Having enough money each month	114	66,3	149	76,4	263	71,7
BI10	Comparing products for shopping	119	69,2	156	80,0	275	74,9
BI11	Saving regularly for long-term goals	72	41,9	72	36,9	144	39,2
BI12	Having enough money for an emergency	80	46,5	122	62,6	202	55,0
BI13	Having an investment account	63	36,6	35	17,9	98	26,7

Table 3 displays the t-test result of financial behavior scores (dependent variable) of Spanish and Turkish students. The financial behavior scores ranged from 1 to 13 with a mean of 7,00 (sd = 3,08) for students from Spain, and 7,04 (sd = 2,68) for students from Turkey. To make a comparison between the differences of means among Spanish and Turkish students, Independent Samples t-test was performed to find out whether there are any differences between the two groups. According to analyze, it was found no significant difference between Spanish and Turkish students' financial behavior scores [ $t(367) = -0,13, p > .05$ ].

**Table 3:** Independent Samples t-test Comparing Nationalities' Financial Behavior Scores

Group	N	M	Sd	T	p
Spain	172	7,00	3,08	-,136	,892
Turkey	195	7,04	2,68		

Table 4 represents the t-test results of Spanish students. There are significant associations in terms of “snob effect” [ $t(172) = -2,51, p < .05$ ] and using “longer-lasting products” [ $t(172) = -$

3,47,  $p < .05$ ]. There is no significant relationship between financial behavior and “bandwagon effect” [ $t(172) = 0,36$ ,  $p > .05$ ] and using “higher-quality product” [ $t(172) = -1,78$ ,  $p > .05$ ]. Although the variable of “higher-quality” is not statistically significant at .05 level, it has a little impact on positive financial behavior. It had p-value of .076, which was not greater than predetermined value ( $\alpha = .05$ ). The result shows power significance levels for snob effect and choosing “longer-lasting products” for Spanish students. While snob effect had negative impact on having positive financial behavior, choosing longer-lasting product had positive impact on having positive financial behavior.

**Table 4:** Independent Samples t-test for Spanish Students

<i>Groups</i>	<i>N</i>	<i>M</i>	<i>Sd</i>	<i>t</i>	<i>p</i>
<i>Snob effect</i>					
I begin to use it less	42	5,97	3,11	-2,51	,013
I go on using it the same as before	130	7,33	3,01		
<i>Bandwagon effect</i>					
I buy that product	60	7,11	3,96	0,36	,718
I do not buy that product	112	6,93	2,50		
<i>Longer-lasting</i>					
No	85	6,20	2,63	-3,47	,001
Yes	87	7,78	3,29		
<i>Higher-quality</i>					
No	59	6,42	3,14	-1,78	,076
Yes	113	7,30	3,02		

Table 5 shows the t-test results for Turkish students. There is a significant association between financial behavior and “snob effect” [ $t(195) = -2,04$ ,  $p < .05$ ]. There is no significant relationship between financial behavior and “bandwagon effect” [ $t(195) = 0,17$ ,  $p > .05$ ], “longer-lasting” [ $t(195) = -0,85$ ,  $p > .05$ ], and “higher-quality” [ $t(195) = -1,33$ ,  $p > .05$ ] for Turkish students. The variable of “longer-lasting” was found to be statistically significant for Spanish students in terms of having positive impact of financial behaviors. On the other hand, there was no significant association between Turkish students’ positive financial behavior and the variable of “longer-lasting”. The result shows that only snob effect had significant negative impact on positive financial behavior for Turkish students. The result also shows that bandwagon effect had no significant effect of having negative financial behaviors comparing to snob effect. Snob effect had a stronger influence on having a negative financial behavior score than bandwagon effect for Turkish students. Other variables in the analysis had no associations with positive or negative financial behaviors of Turkish students.



**Table 5:** Independent Samples t-test for Turkish Students

<i>Groups</i>	<i>N</i>	<i>M</i>	<i>Sd</i>	<i>t</i>	<i>p</i>
<i>Snob effect</i>					
I begin to use it less	77	6,55	3,11	-2,04	,042
I go on using it the same as before	118	7,35	3,05		
<i>Bandwagon effect</i>					
I buy that product	52	7,09	2,25	0,17	,863
I do not buy that product	143	7,02	2,82		
<i>Longer-lasting</i>					
No	53	6,77	2,79	-0,85	,396
Yes	142	7,14	2,64		
<i>Higher-quality</i>					
No	70	6,70	2,75	-1,33	,184
Yes	125	7,23	2,63		

Figure 1 represents the significance levels of nationalities' financial behavior scores compared to independent variables. When the students of two countries are compared in terms of significance levels, it is seen that only the independent variable of "snob effect" is statistically significant for the students of both countries (Spain,  $p = 0,013$ ; Turkey,  $p = 0,042$ ). The independent variables of "longer-lasting" are also significant for Spanish students ( $p = 0,001$ ). Turkish students have no significant variables expect for snob effect.

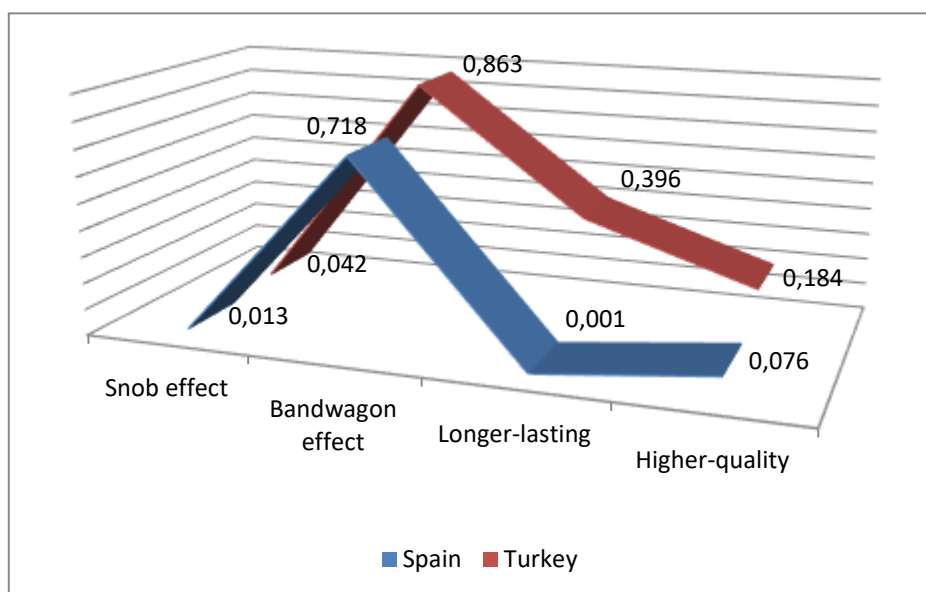


Figure 1: Significance Levels of Independent Variables for Spanish and Turkish Samples

**Discussion and Conclusion**

Understanding the association between financial behavior and the snob effect and the bandwagon effect is essential for market analysis among young people' consumption habits. In this context, this study is important with respect to enabling such a market analysis. It was found that the snob effect was positively associated with financial behavior for Spanish and Turkish students. The financial behavior levels of students who tend to be snob were found to be lower than those who did not. The snob effect negatively affects having positive financial behavior both for Spanish and Turkish students. If students are adequately informed about financial issues, negative financial

habits and correct financial behavior, the negative impact of the snob effect can be reduced through positive financial behaviors. Angulo-Ruiz and Pergelova (2015) suggested that increasing financial behaviors of students and an intrapersonal component, which directly and indirectly affect financial habits are essential factors having an impact on positive financial behaviors. According to the most recent research conducted by Barrera and Ponce (2020), it was found that young competitive consumers showed a greater tendency towards snob and bandwagon traits (conspicuous traits). On the contrary, young individuals who need learning show a lesser tendency towards snob and bandwagon traits (conspicuous traits). This study also found that Spanish students who prefer longer-lasting products had higher level of financial behavior score than who do not care for longer-lasting products. Although this study shows that some Spanish students keep the longer-lasting products above social norms in a sense, different results have been found in previous studies. For example, Kim and Jang (Shawn) (2017) showed that social influences and materialistic desires such as social groups and conspicuous tendencies affect the cafe consumption of Korean Gen Y individuals. They also concluded that symbolic attributes are more important determinants of behavioral intentions than are functional attributes. Materialism is affected by willing for image management. Materialistic people have a tendency to purchase conspicuous consumption for showing of their success and to arouse the envy of other people (Wong, 1997). On the other hand, the positive or the negative relationship between positive financial behavior and preference of products which last longer was not found among Turkish students. On the other hand, this study didn't find any association between financial behavior and bandwagon effect and higher-quality products for Spanish and Turkish participant students. Although not all of the variables are statistically significant for both individuals from Spain and Turkey, it can be suggested that there is a similarity in terms of being significant or non-significant for individuals from both countries. While the snob effect has a strong and significant negative association with positive financial behavior of students for both countries, the other variables have only tendencies toward statistical significance but not positive or negative statistically significant associations with financial behaviors.

This study concludes that the snob effect negatively affects having positive financial behavior. In other words, the snob effect can be accepted as a determinant of financial behaviors. On the other hand, it was also revealed that individuals who care about the quality of products have positive financial behavior. In other words, this result also shows that making comparisons (seeking longer-lasting products) while shopping positively affects financial behavior (positive effect). However, people who exaggerated respect for a high social position (snob) have a lower level of financial behavior (negative effect). The results of this study can provide useful information for policymakers who want to increase the level of positive financial behaviors and financial literacy. Besides, it should be taken into account that the snob effect might be accepted as a determinant of financial behavior and financial literacy as well as gender, age, education level and income level which are mainly known determinants.

### **Limitations**

The sample size of this study is not sufficient for generalization. Increasing the sample size may lead to useful results in terms of generalization of the obtained results. Although this study cannot be generalized, it offers useful results for policymakers. On the other hand, this study had only four independent variables. If different independent variables are included in this kind of research, possible future studies can provide different findings that may have possible negative or positive impact on individuals' financial behaviors.

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