

## Cultural capital in the consumption and socialization of experience goods

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For a long time, the role of cultural capital in the consumption of artistic and entertainment goods has interested researchers in the fields of management, marketing and economics. Wealth and social categories alone do not always explain why individuals with equivalent incomes and social standings follow different consumption patterns (Stiegler & Becker AER 1977). The French sociologist Pierre Bourdieu developed the idea of cultural capital as a way to explain these differences. Bourdieu (1984) argued that, apart from economic and social capitals, the distinctive set of tastes, knowledges, skills and practices which are recognized as rare and valuable in a specific social field, and that he denotes cultural capital, play a role in an individual's consumption practices.

Bourdieu further postulates that cultural capital exists in three forms: *objectified* (as materialized in cultural goods), *embodied* (as present in the knowledge and skills of the individual in relation to cultural goods), and *institutionalized* (as academic credentials and qualifications). The theoretical framework developed by Bourdieu was extended to research in business and economics in two ways: looking at the supply side (*objectified*) and the consumers' dispositions (*embodied*). Throsby (JCEC 1999) was one of the first to examine cultural capital as an economic phenomenon pertaining artistic goods and heritage sites. Others, like Holt (JCR 1998) and Allen (JCR 2002), focused on how culture shapes consumer choices.

We build on the latter approach with the intent of understanding the influence of cultural capital on the individual-level demand for experience goods. These, defined by Nelson (JPE 1970) as goods with a quality unknown to consumers before they purchase, can characterize entertainment and cultural products. I follow the approach pioneered by Ateca-Amestoy (EB 2007), and most recently explored by Castiglione and Infante (JCEC 2016), in using Becker and Murphy's (JPE 1988) *rational addiction* model and Lévy-Garboua and Montmarquette's (JCEC 1996) model of *learning-by-consuming*, as frameworks to model an environment where past consumption lets consumers accrue cultural capital through their engagement in the arts.

Bourdieu's theory of cultural capital holds that it is inherited from one's family, and that the acquisition of additional capital depends on it, with a stock being developed through consumption. However, in what is the main contribution of our study, this model includes the socialization of experience goods as another source of cultural capital for consumers. The inclusion of a stage for the operationalization of cultural capital, in the context of social interactions, is key because Bourdieu emphasizes that cultural capital can be accrued via social relations too, since all interactions negotiate and claim a reputational status. In other words, the consumption of ideationally difficult goods generates respect because those can only be consumed by the individuals who have acquired the cultural capital to do so (Holt 1998). Furthermore, including capital-building activities that remove economic constraints helps us understand the role of non-economic differences in consumption decisions. For instance, a common measure of cultural capital involves museum attendance, in many cases a costless activity. Media participation to

discuss a movie would be another example. Moreover, the inclusion of socialization in the model is of particular relevance today given that most cultural consumption takes place online, which makes the socialization of such activities immediate. Thus, understanding the role of cultural capital in this process could provide new insights to media managers and content creators, opening new ways for them to promote and handle these interactions.

From a methodological perspective, we develop a conceptual model that focuses on the consumer side of the cultural and media market, using standard microeconomics and game theory tools to build and analyze it. Based on our results, we can currently validate theoretical predictions that the cultural engagement of individuals will be strongly determined by their initial cultural capital. Individuals with higher levels of cultural capital participate more actively in the socialization of their consumption. Social welfare increases in the presence of outlets for socializing cultural consumption, with positive effects even among those who devote no time to the activity. This links to the idea that the demand for cultural goods is developed through consumption, as well as the demand-inducing role of social media engagement (buzz). Nevertheless, the substitution effects between socialization and the consumption of goods which generate lower levels of cultural capital is not negligible. These findings highlight the crucial role of media in the circulation and generation of cultural capital and in the entertainment industry.