

Economy of Love

What the Valentine's Day Brings to the Economy

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In literature, conceptualisations of love vary. These definitions have been theorised from different theoretical standpoints. For instance, feminist literature stands divided with a few studies quoting that love is liberating, empowering and people who are romantically in love with each other share equal space in a relationship. But this interpretation is not unanimously embraced within feminist and queer literature. An alternative standpoint views love as patriarchal, sexist, and heteronormative. The structural standpoint speaks of changing dynamics of love due to macro-, meso-, and micro- factors such as capitalist interventions (macro-factor), consumerism, conspicuous consumption, and sexual division of labour (meso-factors) and gendered expressions (micro-factor), both verbal/non-verbal, in which a lover is economically dependent on and domestically subservient to the loved one (Cancian, 1986).

Speaking of expressions of love, Askew (1999) explains that romantic love is commoditised and feigned by staging it through expressions of care, devotion, and trust. These concrete expressions are grounded in exchanges which Blau (1964) conceptualises into two types of exchange; social and economic, explained as follows:

- The relationships based on social exchange are intrinsically gratifying which usually transform into long-term exchange of mutual sharing, trust, and reciprocity.
- The relationships based on economic exchange are purely contractual and extrinsically gratifying in which money matters the most with minimal emotionality of relationships involved (Blau, 1964).

However, with bloating economic challenges, an element of monetary (cash/kind) exchange is expected even within the relationships driven by mutual emotive reciprocities. Therefore, meanings, expressions, and interpretations of love are determined by socio-economic reasons. This particular argument is based on and reinterpreted by Cole and Thomas (2009) who problematise the model of romantic intimacy by bringing in the conundrums of love and money. The perception that economic exchanges strengthen emotional relationships stand valid, especially when set against the backdrop of neo-liberal agenda wherein anything which can fetch a good price, has a market for it (Cole and Thomas, 2009). Contextualised models of love have consented that love and money are not mutually exclusive: it is material exchanges which can cultivate genuine feelings for and being in love. Receiving gifts can be synonymous to *accepting* love from lover rather than *staging* love for securing material things, in future. Since gift giving and receiving is significant for people in romantic relationships and there is a market (both physical and virtual) in which transactions of money, goods and services take place, therefore Valentine's Day is considered a hallmark for people in love to express their feelings, in a more material fashion. Before explaining the economics of Valentine's Day, a few relevant studies explaining the economy and sociology of gift-exchange are summarised.

GIFT GIVING: ECONOMIC AND SOCIAL EXCHANGE MODELS

- Ekeh (1974) explains that in economic exchanges, economic motives act as the springboard of social action, whereas in social exchanges, the social exchange items are viewed as economic goods, and therefore are considered amenable to the demand and supply rules. Therefore, the things which are exchanged as gift items, have a market value which are determined by factors such as price, alternative sources of supply and scarcity, as per the Economic Exchange Model. And, as per Social Exchange Model, the things exchanged as gifts, have a value determined by gift receiver and giver.
- Based on the Economic Model, Blau (1964), Gouldner (1960), Homans (1961) and Thibaut and Kelley (1959) articulate similar assumptions of an Economic Man, as stated in the following text:
 - Social behaviour are explained in terms of rewards which are the tangible goods and services, which satisfy a person's needs.
 - Individuals tend to maximise rewards and minimise losses, costs or punishments.
 - Social interactions get personal and deep due to rewards. This assumption is contingent in how one person controls or necessitates valuables and hence can either reward or punish another person.
 - Therefore, social exchanges are explained as the exchange of mutually rewarding activities in which a valuable good or service is exchanged to return a favour.
- The assumptions as stated above, can be contextualised when operationalised in a relationship dynamic. Belk and Coon (1993) explains the operationalisation of economic exchange model for a gift exchange relationship in the following text:

$$\begin{aligned} \text{SAT} &= (\text{REW} - \text{CST}) - \text{CL} \\ \text{COM} &= \text{SAT} - \text{ALT} + \text{INV} \\ &= (\text{REW} - \text{CST}) - \text{ALT} + \text{INV} \text{ (ignoring CL)} \\ &= \text{ST/LV} \end{aligned}$$

SAT stands for satisfaction with the relationship.

REW stands for rewards from the relationship.

CST is costs of the relationship.

CL stands for general expectations.

COM stands for commitment to remain in the relationship.

ALT stands for perceived quality of alternatives.

INV is the investments of both intrinsic and extrinsic resources.

ST and LV stand for staying and leaving behaviours.

This operationalisation highlights that since rewards exceed costs, hence longevity of the relationships gets ensured. This is so because there is a lack of better alternative partners and also there is a cumulative investment in the relationship. The more the investments made through materially manifested goods and services such as gifts, the more the people in a relationship are satisfied which in turn is the reason of the longevity of the relationships. This operationalisation also explains the gift exchanging behaviours which are capitalised on the Valentine's Day.

- Belk and Coon (1993) also detail the differences between the economic and social exchange models of gift giving in dating relationships. The details are tabulated below:

Economic Exchanges	Social Exchanges
Commodities exchanged as gifts have economic utilitarian value	Gifts as token of symbolic value
Commoditises partner	Partner is viewed as part of one's extended self
Driven by market economy	Moral economy (gift exchange as obligatory when received)

- Digging deeper into exploring the differences in exchange and romantic love paradigms, the details are tabulated as:
 - The purpose of exchange is instrumental whereas in love paradigm it is expressive.
 - The exchange is de-personalised and rational whereas in love paradigm, the exchange is emotional.
 - Under exchange paradigm, the exchanges are pragmatic, whereas in love paradigm, the exchanges are idealistic.
 - Exchanges are more masculine in the exchange paradigm and more feminine in love paradigm.
 - The giver is dominant and seeks control in exchange paradigm whereas the giver is submissive and abandons controls.
- Speaking specifically of the Valentine's Day, gift giving is viewed as the ability to forge and reinforce emotive bonds between the ones who give and those who receive gifts. It is also asserted that for people in intimate relationships, gifts are offered and received to convey feelings of romantic love. One interesting study by Otnes, Ruth and Milbourne (1994), explains why men offer gifts on the Valentine's Day, what are the reasons behind gift giving and whether there is an expectation of receiving a gift or not, and why they liked giving gifts. Similarly, Lai and Huang (2013) describe that why men purchase flowers on the Valentine's Day in relation to their relationship stage, affection and satisfaction with the relationship.
- One specific study on gift giving on the Valentine's Day deciphers following reasons behind gift exchange.
 - Self-interest: gift giving to improve the situation of the giver.
 - Obligation: the one who receives gift is bound to return.
 - Altruism: the gift giving which is not directed at gain.

THE ECONOMICS OF THE VALENTINE'S DAY

Gift exchange has turned into an economic business in the context of Valentine's Day. Since 2020, owing to COVID-19, virtual platforms have been adopted for gift exchange, across the globe. The expressions of love, may have become more virtual in visuals and exchanges but the spirit is the same. Red heart balloons, bouquets of red roses, teddy bears and chocolate boxes are among the most sold items as Valentine's Day gifts. In addition, the hotel industry, goody shops and gift centres are themed especially for the Valentine's Day. In addition to this, customised clothing wear, key chains, purses, wallets, and masks are displayed and sold in huge numbers, in both physical and online formats. Other cultural industries such as film, TV, theatre and online streaming platforms align their filmic or televised contents on related themes. For instance in Pakistan, the relationship-based stories of the students of Ajoka Theatre were streamed online on Zoom, in 2021. Online streaming platforms such as Netflix and Amazon Prime also customise videos tailored for the Valentine's Day, as presented in the following pictures.

Netflix for all
Young and bold wala Netflix
Old is Gold wala Netflix

The Netflix India's YouTube channel has recently uploaded a video of a middle-aged couple celebrating Valentine's Day in a public park full of young couple exchanging gifts and expressing the love for each other. The video gives the message of universalisation of love which transcends age and class, as the second and third horizontal bars say '*Young and bold wala Netflix*' (The young and bold Netflix) and '*Old is Gold wala Netflix*' (Netflix which believes that Old is Gold). Amazon Prime, however, took a more literal route in 2021, by uploading a video of top 10 online-streamed romantic films with the following two concluding shots.

HAPPY
VALENTINE'S DAY

amazon
prime video

The more generic gift items are the flowers, chocolates, and teddy bears, among others. Amazon, this year, has allocated a whole week before the main day (i.e. February 14, 2022) with each day associated to a material expression of love (listed below).

Fig. 1. List of day-wise Valentine's gift items on Amazon

Clicking on the links takes one to the customised lists for each one of the 7 days. There are special sales deals for each of the items such as different varieties of roses, in colour, size and quality for February 7, rings and related jewellery items for February 8, different types of chocolate brands for February 9, fluffy teddy bears inspired of different cartoon characters and in different sizes and shapes for February 10, bracelets, bandannas and bands for February 11, perfumes, cosmetics, sanitisers, candies and mouth fresheners for February 12 and 13 and a mix of gifts from the aforementioned items in the form of a gift box for February 14.

In addition to these Valentine's inspired gift items, there are sales on shirt items, bracelets, electronic gadgets, blankets, teas and coffees, etc. among others.

Speaking particularly of the Valentine's gifts, Economist Alex Tabarrok details about the economics of the Valentine's Day rose by calling it as a 'truly global product'.¹ Tabarrok's video in which he explains the widespread availability of red blush roses in the winters of Chicago, responds to the question, "Where do all the roses come from?" Roses are grown in countries like Ecuador, Colombia, and Kenya. Behind every Valentine's Day there is an accented network of people from all over the world, from the farmer to the shipper to the auctioneer and the retailer. All cooperate to produce and transport roses from field to hand in a matter of days. In 2016, more than \$1.9 billion were spent on purchasing valentine's gift items, which increased to \$20.7 billion in 2019 and \$27.4 billion in 2020. 60% of the people in age group 25-34 and 58% in age group 18-24 spent on these gift items. Each American, on average, spent \$162 with 52% spent on candies, 43% on greeting cards, 37% on flowers, 34% going out on valentine's dinners, 21% on jewelry, 20% on clothing and 19% on gift cards. This year, as estimated by the National Retail Federation (NRF), Valentine's Day shoppers will spend \$23.9 billion, despite global pandemic. Four year analysis of percent planning to gift for Valentine's Day is shown in the following graph.²

Date	Name of the day
7th February 2022, Monday	Rose Day (Find rose day gifts here)
8th February 2022, Tuesday	Propose Day (Find propose day gifts here)
9th February 2022, Wednesday	Chocolate Day (Find chocolates for chocolate day here.)
10th February 2022, Thursday	Teddy Day (Find teddies for teddy day here)
11th February 2022, Friday	Promise Day (Find promise day gifts here.)
12th February 2022, Saturday	Hug Day (Find Hug day inspired gifts here.)
13th February 2022, Sunday	Kiss Day (Find kiss day gifts here.)
14th February 2022, Monday	Valentine's Day (Explore all Valentine's day gift here)

Fig. 2. Spending on Valentines Gifts in US

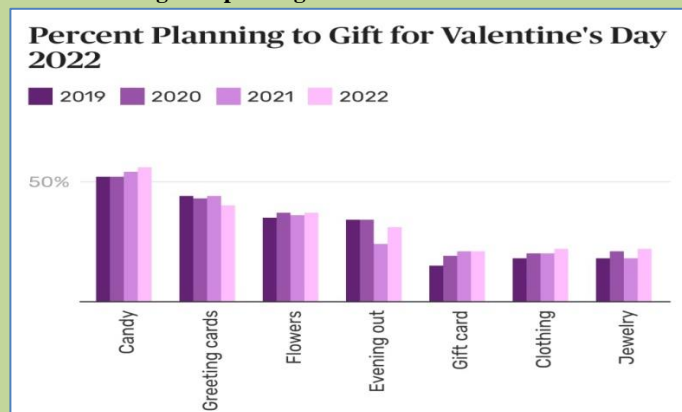


Fig. 3. A Visual Excerpt from Economist Alex Tabarrok's Video



For the purpose of this write-up a survey was conducted with the flower markets located in Islamabad, in F10, F7 and F6 Markaz. There are a total of 3 flower markets with each having 12 small flower shops making a total of 36. The interviews conducted with the shopkeepers highlighted that the Valentine's Day is among the top 3 events of high sales of flowers, in particular, the red and pink roses. The local and imported red flowers are priced differently. One long stem of local red flowers costs 100-120 PKR and the imported one costs 270-300 PKR. Valentine's Day is also significant as more than 70% of the shopkeepers claimed to import long red rose stems only for this day due to guaranteed profits. A bouquet of local red roses costs 1000 PKR. The addition of a balloon decoration and a box of chocolates increases the price to 2500-3000 PKR. Bouquets of imported flowers costs 3000 PKR without any decorative or sweet relishes. A complete package, with a chocolate box and decorative balloon, costs 6000-7000 PKR. One shopkeeper claimed that despite pandemic and periodic overture of banning the day on account of religiosity, Valentine's Day is a profitable day. He detailed that in 2020 only from one shop, almost 500 imported rose and 1000 local rose bouquets got sold, totalling the amount into 5,500,000 PKR. Similarly, the goody shops, gift centres, and departmental stores dedicate separate sections for Valentine's Day gifts.

¹ <https://www.weforum.org/agenda/2016/02/the-economics-of-the-valentine-s-day-rose/>

² <https://www.thebalance.com/happy-valentine-s-day-retailers-feeling-the-love-3306043>

Fig. 4. Decorated bouquets ready for sale on February 13 in Islamabad



Fig. 6. Whole Week of Discount Offers on Valentine's Day Gift Items



Fig. 5. Teddy Bears, Chocolates, Shaving Gels, and Jewellery Items Packaged into Gift Boxes in Islamabad



Fig. 7. Chocolates and Perfumes on Sale in Local Gift Centres of Islamabad



Hence, in Pakistan, as well, the economics of love is manifested by a vibrant economic market and transactions driven by the emotive power of *Love*.

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