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Economics-Micro 201.002

Honors Project: “Conspicuous Consumption”

### Conspicuous Consumption Report

For my economics honors essay, I took on the task of explaining what a Hypercar is and how they are different from supercars. I learned and talked about the most well-known examples of Hypercars; companies like Porsche (918 Spider), Koenigsegg (One:1), Ferrari (LaFerrari), and McLaren (P1) were all researched and described in the paper. From there I talked about everything from the cost of the car to what kind of time the car can achieve on a race track. I then took on the point of view as an automobile enthusiast and explained why the Hypercar and automobile matter. I then did research and learned about how million dollar Hypercars are advertised. The paper then explains how Hypercars and supercars are advertised at the international Geneva Motor Show; this is also where many of the Hypercars are sold and seen. This led me to research and learn about “Revenue and Profits in the Hypercar Industry;” in this section, the paper talks about how much revenue and profit Koenigsegg makes in a year. I also wrote about an interview with the CEO of Koenigsegg, he explains his business plan and why he decided to enter into the Hypercar industry. I then discovered that Koenigsegg is also known as the “poster boy” in Hypercar innovation. These innovations include carbon fiber and 3D printing in the auto industry; the 3D printing section was very interesting to me because this was something I used to work on in high school. Many innovations that take place in the Hypercar industry eventually trickle down into common cars; this also makes the industry important to common manufacturers. I ended this essay with categorizing what market structure the Hypercar industry falls under. I learned the Hypercar industry very much resembles an

oligopoly market structure. This is because the manufacturers that create Hypercars are more or less self-sufficient, they all sell the same type of car with slight differences, it does not matter how large in size the company is, and it is very difficult to enter into the Hypercar industry. This particular section was very interesting to me because I was able to use what I learned in my economics class and relate it to a real-world company.