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Consumerism

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ABSTRACT

Post-WWI, the idea of consumerism emerged. Appliances that made the life of American housewives much simpler were introduced into society. These appliances were commonly known as 'electric servants' as they made everyday tasks easier and faster to finish. They included washing machines, vacuum cleaners, refrigerators that had freezers. Further, post the Great Depression and WWII, the living standards of the American people increased significantly as the US emerged as a powerful military force. Society became more affluent, suburban lifestyle and the middle class emerged. With this new inflow of income, there had to also be an outflow of this income. Americans became indulgent in material desire, spending most of their money on goods like televisions, cars, and home appliances – things that modernized their life. . Between 1945 and 1949, Americans purchased 20 million refrigerators, 21.4 million cars, and 5.5 million stoves, a trend that continued well into the 1950s.

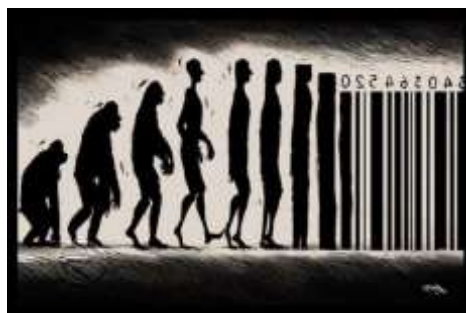
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1. INTRODUCTION

Post-WWI, the idea of consumerism emerged. Appliances that made the life of American housewives much simpler were introduced into society. These appliances were commonly known as 'electric servants' as they made everyday tasks easier and faster to finish. They included washing machines, vacuum cleaners, refrigerators that had freezers. Further, post the Great Depression and WWII, the living standards of the American people increased significantly as the US emerged as a powerful military force. Society became more affluent, suburban lifestyle and the middle class emerged.

With this new inflow of income, there had to also be an outflow of this income. Americans became indulgent in material desire, spending most of their money on goods like televisions, cars, and home appliances – things that modernized their life. . Between 1945 and 1949, Americans purchased 20 million refrigerators, 21.4 million cars, and 5.5 million stoves, a trend that continued well into the 1950s.

Mass consumption was a trend during the 20th century. Before this, consumption took place in the form of clothing, shelter, and food due to a lack of financial motive to indulge in consumption beyond mere subsistence. The capitalist system has shaped ordinary citizens into a consumer that has an unquenchable thirst for materialism.



In simple terms, consumerism is a modern theory that states an individual's happiness and wellbeing are dependent on the purchase of consumer goods and services. Consumer spending becomes a critical role in the economy as it is a positive factor that advances the economy.

With each passing year, the idea of consumption evolves. Consumption began with using or 'consuming' the three necessities of life – food, shelter, clothing, and now it relates to almost anything. We consume information from newspapers and social media and goods that can extend to something as simple as oats or something as lavish as a Hermes Birkin. But one thing that doesn't change is our need to consume.

With the rise in disposable income and ever-growing production, this need to over-consumer is not coming to an end anytime soon. Each need reinforces the next, causing us to be a part of a vicious cycle of consumption. Consumption has become the very ground of society and its effects have been immense.

Its Role in a Capitalist Society

Capitalism and consumption are two sides of the same coin. The growth of developed capitalist societies in the reconstruction period post World War II has caused an unforeseen expansion in the volume of consumption by private households. Spending not only was on necessities but now on goods and services that provided leisure like travel, alcohol, and entertainment. (Sulkunen, 1978) Man does not by nature wish to earn more and more money, but to live as he is accustomed to living and to earn as much as is necessary for that purpose. (Weber, 1960) Consumerism encourages people to work harder to earn more money and ultimately to spend more to buy more. In other words, it means entering the capitalist system. Today, capitalism is the way the world functions.



It is represented by a world filled with services like Amazon that ensure a high level of administration that eases everyday life and guarantees customer satisfaction. How is this customer satisfaction ensured? Customers are nothing but consumers who need to consume. Retail giants like Amazon, Walmart, and Target ensure this by constantly supplying products and advertising them in creative ways.

Lears (1983) examined the role of consumption, advertising, and the media in a capitalist society where he noted that the culture of puritanism had shifted to a culture of hedonism that forwarded leisure and self-fulfillment. In modern society, this increase to engage in hedonistic activities was the result of an increase in disposable income. The heightened need was, in turn, profited by supplying consumer's products they believed would fulfill them, materially and socially.

Academician Todd McGowan in his book, *Capitalism and Desire* argues that capitalism through its emphasis on uninterrupted accumulation forces individuals in a state where they always desire and seek something new. Without capitalism, the way we consume now would not exist. Capitalism attaches value to a commodity that is not reached just by its usage. It attaches an identity that comes along with its usage, an identity that eventually will become its consumer's identity. The Hermes Birken handbags aren't just for the fulfillment of carrying necessities required while traveling but hold a tremendous status in society - and those who own one are seen as having that significant status.

Consumption and capitalism are two forces that only drive each other forward. Consumption is essential to the smooth working of capitalism. On the surface level, consumption in the form of accumulation validates that the capitalist machine keeps working. Consumers accumulate commodities and producers accumulate wealth which is invested to gain more profit. This untiring cycle of accumulation and production results in the escalation of goods and services.

Consumer Behavior Analysis and its Relevance in Sustaining Consumerism in a Capitalist System:

Industries, to understand what consumers require for consumption and why, analyse their behaviour. With this businesses are able to produce for the fulfilment of this wants and thus continue the cycle of consumerism.



Today, consumer researchers account for almost half of all marketing faculty in business schools (Simonson, Carmon, Dhar, Drolet, & Nowlis, 2001) and is a growing area of research in other disciplines such as sociology, communication and anthropology. Why do we buy a certain product? Why do you choose one brand over the other? Where do we buy it and how often do we make these purchases? – These are questions that are answered through consumer behaviour analysis.

The manner in which this takes place stems from the studies of psychology and economics. The disciplines of economics and psychology (especially cognitive and social) have traditionally provided the theoretical foundations of consumer behaviour and have lent their research towards more cognitive approaches (Jacoby, Johar & Morrin, 1998). Although the importance of emotions in buying behaviour has also received a growing share of attention in recent years (O’Shaughnessy & O’Shaughnessy, 2002; Bitner, 1992; Dawson, Bloch & Ridgway, 1990; Donovan & Rossiter, 1982), a large majority of studies have been designed to investigate consumer decision-making processes, inspired by cognitive, information processing, theories.

The way this analysis is done is first by targeting an audience that will be attracted to your product. For example, those with a dry skin issue will be attracted towards a skincare line that hydrates their skin. They will become the target audience. The next step is identifying the selling point for that audience i.e. the product will sell because it solves the issue of dry, itchy skin. By collecting as much as data as possible by using various data analytic platforms by assessing individual behaviour or group behaviour. How often are the target audience buying their product? Where are they buying it? How are audiences learning about your product? Are there negative reviews or more positive ones? – Any data collection is valid as even minute changes in marketing can affect capitalistic gains. After changes have been made according to data received, these changes are assessed to learn of their outcomes and influence. Due to changing fashion, technology, trends, living style, disposable income, and similar other factors, consumer behaviour is always changing. A capitalist has to understand the factors that are changing so that the marketing efforts can be aligned accordingly and therefore never allow profit to fluctuate downwards. Implementing changes required to stay relevant, compete, retain consumers and cater to ever growing consumption needs will allow the producer to stay in the capitalist system.

Consumerism Today

As a result of rising income, consumption activities in the developed world have been scaled over the past century to previously unprecedented levels. At the same time, the composition of consumption has changed substantially as expressed in the household expenditure statistics. According to ANI, household consumption in the US, UK, Japan and several European Union countries is gathering pace after the slowdown due to Covid-19. Therefore, consumer goods industries have to restructure to abide by rising needs of consumption.



The success of an economy now lies on how many goods and services it has sold. One of the major ways of calculating the national income is by finding the GDP or Gross Domestic Product. This is only the measure of the value added created during the production of goods and services and hence also measures the income earned by their consumption. Consumer spending in America is almost 70% of their GDP i.e. almost \$13 trillion. It becomes the base of being an economic power in today’s world. We are also over buying to the extent where many of us do not have space for the things we buy. The self-storage market in America is worth \$38 billion and almost one in ten households are renting extra space. We have seemed to take the phrase ‘more the merrier’ quite seriously.

Consumption requires marketing. Marketing requires strategies that often de-sensitize and exploit social issues for the capital gains. In 2017, Burger King, a fast food giant, released an offensive campaign that mocked the Belgian monarchy to launch their brand in Belgium. The advertisement asked Belgians to vote on an online poll for their true ruler from two candidates – the brand itself and a cartoon version of the 7th sovereign of Belgium, King Phillippe Leopold Ludwig Maria. Capitalism and consumerism trivialize every aspect of culture and commodify it for profit.



This overconsumption has consequences that are negative and will eventually become irreversible if measures to control it aren't taken. Capitalism survives in its present form because of the production and selling of goods and services, but these processes require the use of natural resources (wood, ore, fossil fuel, and water). Production processes lead to creation of toxic by-products which most of the time are dumped into water, damaging aquamarine and water health. Excessive buying of automobiles only leads to excessive environmental pollution. There are severe consequences due to overconsumption and none of it has come to light. In conclusion, there is no doubt that consumption will consume us. Our dependency on the way we consume is causing irreversible damage making sustainable development an impossible endeavor to achieve. Laws put in place favor corporates more than nature and it is a problem that our natural resources are diminishing. Not everything can be man-made. Unless, we do the seemingly impossible, what we own will own us.

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