

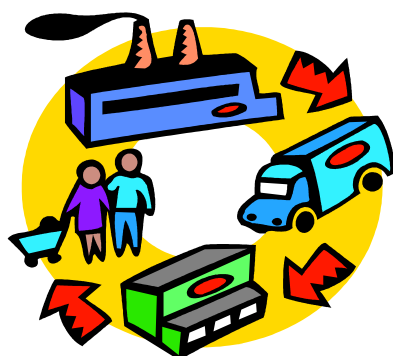
# Consumers and Consumption in the Modern Economy

## ECHI2021 (P) and ECHI2022 (H)

### Semester 2, 2001

#### Lecture times:

- Tuesday 1-2 pm  
in JD101
- Thursday 1-2 pm  
in JD 102



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## 1. Outline

This course analyses changes in consumer demand during economic development, particularly during the 20th century. The course is thematic and assesses these changes at both the macro and micro level. It uses the experience of Western economies and businesses to outline the complex processes by which the modern consumer society evolved and operates today. It then uses this outline to analyse recent changes in consumer behaviour in Asian economies. The course draws upon research in economic and business history, marketing and consumer behaviour to present students with an interdisciplinary understanding of the fundamental factors that motivate broad changes in consumer choice and spending.

## 2. Prerequisites

Economics I (P or H), or Understanding Economic Behaviour **and** Understanding Economic Policy, or permission of the Head of the School of Business and Information Management.

## 3. Reading, Lecture Schedule and Lecture Materials

The recommended **introductory** reading for the course is: Whitwell, Gregg (1989) *Making the Market: The Rise of Consumer Society*. Melbourne: McPhee Gribbel. This booklet is available in the Chifley library (HC610.C6W56). The minimum reading for the course is contained in a reading brick. You can purchase the brick by paying \$25 at the cashier in the Manning Clark Centre. Bring your receipt to the office of the School of Business and Information Systems Economics (Moran building, room 2035, where the administrator will give you a brick. The brick is also placed in the reserve section of the Chifley library. The brick is a **supplement** to the lecture material. The lectures will draw on the reading, but the reading does not replace the lectures. You will be examined on material from the brick and the lectures.

1. 17 July                      **Introduction to the course, some definitions**

2. 19 July **Measuring consumption and living standards**  
Read article 3 in the reader.
3. 24 July **Economic growth, identifying phases of change**  
Read articles 4 and 5 in the reader.
4. 26 July **Changes in production: Technology and substitutes**  
Read articles 6 and 7 in the reader.
5. 31 July **Historical patterns of demand and consumption 1**  
Read article 8 in the reader.
6. 2 August **Historical patterns of demand and consumption 2**  
Read articles 9 and 10 in the reader.
7. 7 August **Food consumption: From needs to indulgence**  
Read articles 11-13 in the reader.
8. 9 August **Clothing: From necessity to fashion**  
Read articles 14-17 in the reader.
9. 14 August **The consumer durables revolution 1: Product cycles**  
Read articles 18 and 19 in the reader.
10. 16 August **The consumer durables revolution 2: Social impact**  
Read article 20 in the reader.
11. 21 August **Housing: From shelter to home ownership**  
Read articles 21-24 in the reader.
12. 23 August **The transformation of leisure into consumption**  
Read articles 25 and 26 in the reader.
13. 28 August **The consumption of leisure, tourism**

- Read articles 27 and 28 in the reader.
14. 30 August **Video: *Boom Time***
- Read article 29 in the reader.
15. 4 September **Changes in retailing 1: From corner shop to department store**
- Read articles 30- 31 in the reader.
16. 6 September **Changes in retailing 2: From department store to e-commerce**
- Read articles 31-34 in the reader.
17. 11 September **Consumer credit 1: From loan sharks to hire-purchase**
- Read articles 34 and 35 in the reader.
18. 13 September **Consumer credit 2: From hire-purchase to credit card**
- Read articles 36-38 in the reader.
- (SEMESTER BREAK)**
19. 9 October **Development of the marketing profession**
- Read articles 39 and 40 in the reader.
20. 11 October **Marketing techniques: From advertising to sales promotion**
- Read articles 41 and 42 in the reader.
21. 16 October **'Consumerism' 1: Consumer society**
- Read articles 43 and 44 in the reader.
22. 18 October **'Consumerism' 2: Consumer organisation and protection**
- Read article 45-47 in the reader.
23. 23 October **Consumers in Asia 1: The 'new middle classes'**
- Read articles 48 and 49 in the reader.
24. 25 October **Consumers in Asia 2: The relevance of culture**

Read articles 50 and 51 in the reader.

All lectures are taped. Tapes and lecture notes are available in the reserve section of the Chifley library. Materials distributed during the lectures, lecture notes and announcements will be available from two sources:

- (a) the Faculty's web pages in PDF format: <http://ecocomm.anu.edu.au/ECHI2021>,
- (b) 'The Oracle' on the Pebble server in their original format so that you can download them and print them in whatever way you require them. All students have access to this server through the computers in the PC and Mac labs at the ANU. Ask the consultants at InfoPlace for instructions, see: <http://anulib.anu.edu.au/libserv/infoplace/consultant.html>

#### 4. Assessment

The proposed assessment is either A or B, whichever is in your favour:

	A	B
Tutorial participation (see section 5)	5%	5%
Tutorial presentation (see section 5)	5%	5%
12 weekly tutorial questions (see section 5)	10%	-
Essay (see section 6)	30%	30%
Two-hour end of semester examination	<u>50%</u>	<u>60%</u>
Total	100%	100%

#### 5. Tutorials and tutorial program

During the first week you sign up for a tutorial group of your choice on a tutorial preference sheet. These will be distributed during the second lecture (19 July). The tute groups will be announced on the course website and 'The Oracle' (see above under 3) on Monday 23 July. The tutorials will start in the second week of teaching.

Tutorial presence will be recorded. Your presence and participation in the tutorials will count towards a maximum of 5% of your final mark. During the tutorials we will:

- (a) discuss the reading and the lectures of the previous week on the basis of a few **questions** that will be handed out a week in advance. If you hand in your written answers to the 11 sets of tute questions at the end of each week, you can earn up to 10% of your final mark;
- (b) listen to and discuss student **presentations** on set topics. These are listed below and will be distributed during the second tutorial in the third week. Two students may prepare a topic for presentation together. The presentation topics concern issues raised in the reading and lectures of the previous week. The presentations can be based on the reading in the brick and the lecture notes, but references to further reading can be obtained from the reader. The maximum reward for the presentations is 5%. They have to be succinct, to the point and last at most 20 minutes. They will be followed by discussion. The presentations may contain quantitative data in tabulated or graphic form if it enhances the general argument, provided that photocopies of tables and graphs are distributed to the group before the presentation. The presentation will be largely assessed on oral presentation, but the notes (up to 1,000 words) have to be handed in as well.

The notes will be used to provide further comments in case you would like to write an essay on the subject (see below under 6.). Failure to present a paper results in a loss of the 5%, unless a medical certificate is provided.

1. **Introduction, organisation of the tutorials, definitions**

(week beginning 23 July)

Read articles 1 and 2 in the reader. Which quote on p.4 appeals to you?

2. **Economic growth and living standards, distribution of tutorial topics**

(week beginning 30 July)

Answer the questions on the lectures and reading for lectures 2-4.

3. **Patterns of consumption**

(week beginning 6 August)

Answer the questions on the lectures and reading for lectures 5 and 6.

4. **Needs and wants**

(week beginning 13 August)

Answer the questions on the lectures and reading for week 7 and 8.

**Presentation topic A:** What is 'discretionary expenditure'? Do you think that the average Australian household's perception of 'needs' has changed during the 20<sup>th</sup> century?

5. **Consumer durables**

(week beginning 20 August)

Answer the questions on the lectures and reading for lectures 9 and 10.

**Presentation topic B:** What is the 'product life cycle' concept? Can you apply it to a consumer product in 20<sup>th</sup> century Australia?

6. **Housing**

(week beginning 27 August)

Answer the questions on the lectures and reading for lectures 11 and 12.

**Presentation topic C:** What factors determine(d) changes in the demand for housing in Australia in the 20<sup>th</sup> century?

7. **Leisure**

(week beginning 3 September)

Answer the questions on the lectures and reading for lectures 13 and 14.

**Presentation topic D:** Did tourism in Australia change from leisure to consumption in the

20<sup>th</sup> century?

8. **Retailing**  
(week beginning 10 September)

Answer the questions on the lectures and reading for lectures 15 and 16.

**Presentation topic E:** In hindsight, did Zimmerman (1955) exaggerate when he called the supermarket a “revolution in distribution”? (see: Zimmerman, M.M. (1955) *The Supermarket: A Revolution in Distribution*. New York: McGraw-Hill. Chifley HF5472.U6.Z48)

9. **Consumer credit**  
(week beginning 2 October)

Answer the questions on the lectures and reading for lectures 17 and 18.

**Presentation topic F:** Why did the increase in consumer credit cause so much concern in Australia since the 1970s? In hindsight, was that concern justified?

10. **Marketing**  
(week beginning 8 October)

Answer the questions on the lectures and reading for lectures 19 and 20.

**Presentation topic G:** Did advertising benefit consumers in the 20<sup>th</sup> century?

11. **Consumer protection**  
(week beginning 15 October)

Answer the questions on the lectures and reading for lectures 20 and 22.

**Presentation topic H:** Did consumers need the protection extended to them during the 20<sup>th</sup> century?

12. **The role of culture**  
(week beginning 22 October)

Answer the questions on the lectures and reading for lectures 23 and 24.

**Presentation topic I:** Are consumption patterns in Asian and Western countries converging? Will culture become irrelevant to consumption patterns in Asian and Western countries?

## 6. Essays

You are expected to submit an essay of 2,500 to 3,000 words. Students taking the course at honours level (ECHI2022) will submit an essay of 5,000 to 6,000 words.

I will announce six essay topics on the course website and ‘The Oracle’ (see above under 3). However, you are strongly encouraged to pursue your own ideas and interests. All topics and issues discussed during lectures and tutorials are in principle available for an essay. The subject of this course allows you a lot of freedom to explore your own ideas and interests. Feel free to discuss your

interests with me, but do so early in the semester before you start researching the topic. You will have to secure **my permission** for a non-listed essay topic **before Friday 14 September**, because I would like to discourage you from selecting a topic for which there is insufficient literature, or a topic that is much too broad for an essay.

The ANU library and the Australian National Library contain many relevant publications, both monographs (which are in the library catalogues) and journal articles (which are not in the library catalogues). Depending on your topic, an internet search may yield relevant documentation.

You may present quantitative data in tabulated or graphic form if they support the argumentation in your essay. You must indicate the source and be aware how the data in the tables or charts are defined and how they can be interpreted. For the essay, you may use relevant publications in other languages. For further guidelines, see: J. Clanchy and B. Ballard, *Essay Writing for Students* (1991). The Chifley library has several copies (PN146.C57). The booklet is available from the ANU Study Skills Centre or the Coop bookshop. Some suggestions for good essay writing will also be announced on the course website and 'The Oracle' (see above under 3).

**Before you hand in your essay, please do at least three things:**

- (a) check your **grammar** and **spelling** (in Word go to 'Tools', pull down to 'Spelling and Grammar', the program checks your text automatically);
- (b) insert **page numbers** (in Word go to 'Insert', pull down to 'Page Numbers'); and
- (c) attach a **cover sheet** (available from the course website and 'The Oracle').

The essays should be placed in the essay box opposite the office of the administration of the School of Business and Information Systems no later than **4 PM on Thursday 25 October**. Where the essay is submitted after the set time, one mark (*i.e.* 1 out of the maximum of 20) will be deducted for each weekday or part thereof that the essay is late, except where an extension is granted. Applications for extensions should be made in advance of the due date and should be accompanied by a medical certificate. Extensions will only be granted to students whose work is affected by persistent illness or on compassionate grounds.

## **7. The course at honours level**

Apart from the longer essay, students doing the course at honours level are expected to attend a special workshop consisting of 2 or 3 sessions. The main aim of the workshop is to investigate an issue or available primary research materials. Possible topics are 'Consumer Confidence Surveys' or 'Consumerism and *Choice* magazine'.

A brief introductory session will explain the format of the workshop and determine the subject. During the following sessions we will discuss the issue at hand and the available sources. Students will contribute to an inventory these sources and indicate how they can be used for analytical purposes. A separate handout on the workshop will be made available to students doing the course at honours level.

## **8. Communications**

General notifications about changes in lecture and tutorial schedules, and other housekeeping

matters will be announced during lectures and will also be announced on the course website and 'The Oracle' (see above under 3). These announcements are considered to have been read by students in the course. You are encouraged to consult them regularly. The first page contains my contact details. You are advised to send me e-mails where possible, rather than telephone. If we need to meet in person, we will make an appointment.

## **9. Relation to *Marketing* course**

There is some overlap between this course and the course *Marketing*. However, the differences dominate. *Consumers and Consumption* discusses the marketing process from the consumers' viewpoint. It also discusses the 'marketing environment' in much more detail. Students who have done *Marketing* will find that the course *Consumers and Consumption* provides an interesting in-depth elaboration of various marketing-related issues on the basis of developments over time. Students who will do *Marketing* in 2002 or later will find that the various aspects taught in *Consumers and Consumption* provide a good background for the more current issues taught in *Marketing*.

## **10. Who is the lecturer?**

I studied history and development economics and worked at the University of Groningen in the Netherlands, where I also obtained my doctorate. I later worked at the National Institute of Economic and Social Research in London and at the Research School of Pacific Studies at the ANU.

Since the publication of a book on the Marshall Plan and Dutch postwar economic recovery in 1987, I published on various aspects of the economy and economic history of Southeast Asia, particularly Indonesia. For instance, Macmillan published my book on agricultural development in Indonesia in 1996 by Macmillan. My current research interests include various aspects of long-term economic and business development in Southeast Asia, consumer expenditure in Indonesia, and the development of consumer credit in Australia.

If you have any questions about the course, do not hesitate to contact me. My office hours will be announced on the door of my office. But I would like to encourage you to send me an E-mail (my address is on p.1) or leave a telephone message on my voicemail recorder, because I will not always be in my office (except during my office hours).

Good luck!