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Consumer credit and the institutionalization of consumerism

Klein, Lloyd, Ph.D.

City University of New York, 1993

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A

Consumer Credit and the Institutionalization of Consumerism

by

Lloyd Klein

A dissertation submitted to the Graduate Faculty in
Sociology in partial fulfillment of the requirements
for the degree of Doctor of Philosophy, The City
University of New York.

1993

1993

Lloyd Klein

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This manuscript has been read and accepted by the Graduate Faculty in Sociology in satisfaction of the dissertation requirement for the degree of Doctor of Philosophy

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Abstract

Consumer Credit and the Institutionalization of Consumerism

by

Lloyd Klein

Adviser: Professor Charles Winick

This thesis examines the relationship between consumer credit social control mechanisms, and the imposition of cultural values. The primary research focus assumes that the utilization of consumer credit since World War II was accompanied by increased institutional controls associated with a substantial cultural impact upon American life.

Cultural values are seen as status formations stemming from economic development. Product distribution is dependent upon the previously assessed or changing consumer desires. Credit cards, installment credit, and other consumer credit instruments facilitated the development of the service sector from the pre-industrial stage through post-Fordist (or postmodern) dependence upon niche or planned marketing.

The cultural impact of consumer credit is connected with the ascendance of marketing and cultural change. Consumers accept credit cards as instruments for the facilitated acquisition of available goods and services. The rise of consumer debt and industrial forgiveness of accumulated debt gains acceptance among the business sector and consumers

because sustained consumer activity is absolutely necessary for the continued sustenance of the marketplace. Consumers accept the premise, along with the credit services facilitating the purchase of various commodities.

The overall analysis is divided into five parts. One facet of the analysis focuses upon developed post-Fordist tendencies within American society during the period between Post World War Two-the early 1990s. Post-Fordist developments were accompanied by the diversification of consumer products and increased distribution of consumer credit instruments facilitating the acquisition of those products. A second facet examines the experiential realm where the service sector offers diverse niche marketing of specific products and experiences attainable through the utilization of consumer credit. Some of the experiences discussed in the chapter include telephone sex, fantasy suites, Disney theme parks, and Las Vegas. A third chapter offers an analysis of the role of advertising in promoting the cultural utility of consumer credit. A fourth facet of the thesis examines the retail credit sector. A social historical view of product distribution demonstrates how credit cards and installment plans facilitated the development of department stores and the newly evolving forms of product distribution through shopping malls and home shopping services. The last section offers an analysis of bankruptcy and the social cultural changes

associated with debt forgiveness and the readily facile acceptance of bankruptcy as a way of life for many people.

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Chapter One

Consumer Credit as a Social Control Mechanism

Introduction

Consumer dependence upon credit is an accepted part of everyday life. In fact, consumer credit has become a signifier in one's 'rite of passage.' Consumer credit privileges awarded a college student or person undertaking their first job is an indication of credentialed status. A person is almost a nonentity until he or she establishes an ongoing credit history. Receipt of an initial credit account is essentially a form of formal economic status recognition.

In effect, consumers are implicitly told that credit privileges facilitate the increasingly complex choices within their lives. A myriad combination of complex choices arises when individuals seek out distinctive status identity in a society offering various recreational and professional lifestyles.¹ Non-accessibility of consumer credit limits consumer utilization of various services or recreational conveniences. Renting an automobile, confirming hotel reservations or hotel check-in procedures, or cashing a check are dependent upon consumer credit availability. 'Leaving home without it' is almost surely an invitation for risking non-person status among members of the economic community.²

The above observations are grounded within academic parameters. Although this thesis will treat consumer credit as a cultural development dependent upon economic systems³, the reader must recognize that consumer credit and the resulting debt are often approached from economic, political, and psychological perspectives.⁴ Such analyses are taken into consideration as this dissertation study transcends the boundaries of traditional economic analysis with an extensive consideration of post-Fordism and cultural influence.⁵ Varied consumer options and the creation of niche marketing (or diversification; Harvey, 1989, uses the term flexible accumulation) facilitate the expansion of consumer credit utilization.

This study considers consumer credit within a framework of creating social control through implicit and explicit controls upon the consumption of material and experiential social products. Our everyday lives are controlled through options created for leisure time activities.⁶ The consumption of social experience forms a vital component denoting how cultural alternatives are experientially consumed through consumer choice. Tourism and subsequent escapism enabled through consumer credit accessibility and offered by theme parks, along with the illusory images manufactured by Las Vegas and Disneyland, Disney World, Epcot Center and Fantasy Suite attractions, are among the sites analyzed in our discussion.⁷

Research thesis and theoretical focus

This thesis examines the relationship between consumer credit, social control mechanisms, and the imposition of cultural values. These factors combine in the elaboration of the following research statement: the utilization of consumer credit since World War II was accompanied by increased institutional controls associated with a substantial cultural impact upon American life. Cultural values and status formation stem from extensive economic development in a social system dependent upon capital intensive product distribution.⁸ Product distribution is increasingly dependent upon assessing or changing consumer desires.⁹ Labor intensive workplace innovations (e.g., backroom systems for crediting and debiting credit card accounts) support capital intensive investment in complex computerized recordkeeping systems.¹⁰

The service sector takes on added significance as the post-industrial economic phase shifts into a post-Fordist (or post-modern) form. Continually shifting technical planning emphasizes enhanced expansion through niche marketing.¹¹ Manufacturing is reindustrialized through elaborated conceptual thinking from within marketing planners. The resultant product fuels the economic marketplace with an accommodation toward consumer desires or anticipated buying preferences.

Consumer credit plays a more subtle but significant social role in the cultural framework of American society. There is

an implicit interrelationship between the planned marketing of specific products and a specific population with economic purchasing ability through acquisition of consumer credit. The elaboration of a heavily rationalized financial operation into an accounting system for measuring indebtedness incurred in everyday life is a significant development. The indicated financial aspects are interlinked with denied opportunity for particular lifestyles as created by the absence of credit privileges. Several larger questions are posed explaining such developments. Subsequent analysis and discussion consider the development of consumer credit instruments (particularly credit cards), why consumer credit developed in these forms, and the cultural impact of consumer credit upon American society.

Cultural analyses formulated by Lefebvre (1975), Marcuse (1965), Adorno (1965) and other derivatives of the Frankfurt school equate capitalist society with induced paranoia.¹² The framework of this study does not assume the existence of a conspiracy or deliberate attempt at "seducing the masses."¹³ Unfortunately, the former statement is not provable within the guidelines of available fiscal or anecdotal evidence. Sociological analysis can more definitively track the development of the consumer credit system as incorporated within specific expectations regarding the attainment of consumer goods, and a related lifestyle facilitated by material or nonmaterial artifacts. Overall analysis in

successive pages starts with the assumption that the consumer credit structure succeeded because the groundwork was laid by an ongoing acculturation process.

Historical, ideological, and technological developments were instrumental in paving the way for the dissemination of consumer culture. Historical developments incorporate the rise of consumer credit and the influence of important financial institutions.¹⁴ Ideological changes in consumer acceptance of credit cards and installment debt are directly linked with the desire for symbolic goods in a competitive society.¹⁵ Lastly, technological advances facilitated the convenience of immediately obtaining cash or credit at the point of purchase.¹⁶ An extensive consideration of the evolutionary encroachment of consumer credit systems upon everyday life is incorporated in this and several subsequent chapters.

Consumer credit is an economic force carrying important social control dimensions. Cultural expectations connected with rewards for good payment records and sanctions for violating creditor expectations are important in this regard. The explicit promotion of consumer credit and subsequent punishment for nonconformity with creditor expectations emerges as a significant dialectical relationship. On one hand, our lives benefit greatly from the privileges of acquiring needed products without instant financial responsibility. We can travel, purchase household appliances,

or seek out needed cash for gambling at racetracks and casinos. These conveniences enhance our immediate daily lives. Individuals can live spontaneously and fulfill their momentary desires.

On the other hand, acceptance of these financial privileges does carry an important human cost. Consumer credit can potentially control our lives. The impact of social control emerges when consumers must choose between accepting the immediate benefits of consumer credit or accept explicit limitations upon our everyday choices when credit is unavailable.¹⁷

Social control, in the form of consumer credit, sets an agenda for the disposal of newly generated material affluence. Individual choice is dependent upon the supply of available goods and the demand for specific items. Consumers apply personal earnings toward the purchase of commodities intended for the economic absorption of discretionary (or surplus) income. The institutional influences can then produce unanticipated consequences beyond product acquisition or consumption.

Social control emerges when consumers must decide whether to accept credit usage as a component of everyday life. Consumers are faced with a dilemma dictating whether conformity (or keeping up with the Jones') is more important than maintaining individual autonomy. The effects may have been produced through calculation, but not specifically

designed, under the auspices of industrial producers. The intent of industrial producers or the financial community was oriented toward consumer control for economic gain.

The final effects of cultural influence either facilitate the effectively planned consumer behavior as created by the credit industry or produce unintended and disastrous economic results. For example, one argument claims that consumer bankruptcy is positive as a control upon extending too much consumer credit or negative as counterproductive for economic growth. If we accept this premise, then bankruptcy is a built-in social barometer for indicating failure of credit allocation systems or an a weakened economic system. Judging the negative or positive qualities of these consequences is a matter best left for economists. A sociological analysis can best evaluate human motivation and the resolution of problems resulting from social choice.

In essence, we must choose between active participation within the socio-economic system or exclusion from various social strata. Veblen's (1899) notion of conspicuous consumption, wherein consumers sacrifice practicality for appearances, is an essential element within this choice. Consumer credit does carry potential liabilities. Some social critics claim that economic obligations bind consumers into the social system. This process can create social control. Consumers are faced with the contradictory Durkheimian dilemma of accepting integration into a network of social economic

control, while, at the same time, sacrificing a certain degree of autonomy (Durkheim, 1910).

Application of this principle is readily seen when we view consumer credit as a mechanism for tying individuals into the economic system. Normative economic behavior is awarded with more credit and implied social approval. Limitations of this approval are indicated when persons accepting consumer credit and its benefits fail in reimbursing the creditor and fulfilling the contractual promise. Alternately, individuals rejecting consumer credit are also perceived as aberrant. Consumer credit is marketed as a normative part of everyday life. Individuals not accepting consumer credit are viewed as atypical.

The inevitable effects of a debtor/creditor relationship may have been produced through calculation, but not specifically designed, under the auspices of industrial producers. The intent of industrial producers may have been control for economic gain. However, the final results are sometimes overly effective or produce unintended results. Consequences of an ongoing continuum dictate the supply of consumer credit and how businesses handle the eventual consequences. For example, one argument claims that consumer bankruptcy is a positive control upon extending too much consumer credit and negative as counterproductive for economic balance. Social effect of bankruptcy and its connotations are examined at a later stage in this thesis study.

Significance of the consumer credit industry

The consumer credit industry is an important aspect of American life. Goods and services are provided by industrial firms. The advent of a post-industrial society follows from the need for keeping account of the distribution and sale of available products. Consumers can purchase these products (or commodities) through pre-existing credit arrangements. A market for material commodities is developed through calculated projection of likely consumer wants or needs. The products are introduced into the marketplace and advertising publicity is subsequently directed toward a particular market segment. Advertising efforts are correlated with the availability of product distribution networks and foreseen prospect of consumers purchasing the particular product.

Products are alternately introduced when the active market demand for an item warrants fulfilling general consumer satisfaction or the specific satisfaction of the aforementioned market segment. These marketing decisions are inevitably linked with the relationship between wants and needs. Leiss (1978), Bell (1976) and others explored these categories. These social researchers implicitly agreed that an object (or commodity) is a 'want' when desired by a segment of the population or the whole society. For example, particular types of designer clothing, automobiles, or electronic equipment (e.g., video cassette recorders) may initially emerge as a desired object (or want). These things

may subsequently become perceived as needs when people transform their existence into an absolute individual necessity. The overall process eventually takes on a life of its own in dictating available social choices and the marketing of social status.

The overall process may eventually spin out of control when the marketplace cannot fulfill particular consumer needs/wants or consumers exceed their economic debt capabilities. Bankruptcy is discussed as both an end of the process for some consumers and a new beginning for others. However, the reader must realize that the mechanical elements of the consumer credit system obscure a more important social function. The importance of consumer credit as a method of control through shaped cultural values and economic symbolism will form the basis for a more specialized analysis.

Individual Character Structure and Consumer Behavior

Character structure and social control measures remain a constant theme stemming from Weber through more contemporary social writers.¹⁸ An understanding of the Neo-Marxist perspective is essential for understanding how the economy has shifted from a post-industrial service oriented system into a scramble to create and exploit new cultural options. Individual identity is an important component explaining the recontextualization (or almost ad hoc reorganization) of

socio-economic products offered consumers through entrepreneurial planning).

Products or intended theme park ventures are based upon images or environmental structuring enabling consumer expression of social preference. These culturally based and ever-shifting consumer interests are taken into account by Faith Popcorn and other trendy futurists when corporate planners contemplate new consumer products.¹⁹

Neo-marxists still insist on grounding the cultural process within the market economy. According to O'Connor (1982), capitalism is predicated upon the drive for individual identity. Entrepreneurs market consumer (or wage) goods and industrial (or capital) goods. Consumers are provided various personal options through a multitude of available commodities. The imperative for expressing individualism (Veblen, 1899, terms this conspicuous consumption or invidious emulation) results in a divide and conquer effect. People are socially alienated from each other and the forces of the state.

The structure of the state is subsequently weakened under the burden of citizen and industrial demands for protection and miscellaneous benefits. Thus, the increased cost of the consumption basket (or sum total of costs for these services) reduces surplus profits generated by the capitalist apparatus. A chapter on retail outlets elaborates on the role of marketing the promotion of commodities and the creation of alienation.

The entire process results in an imbalance between consumer and capitalist needs. Capitalists can produce consumer or industrial goods. Expansion of industrial capacity is curtailed by manufacturers in favor of emphasizing production of consumer goods. This imbalance can upset the relationship between the promotion of capitalist profits and the broadening of the consumer market.

Why are capitalists willing to accept this unfavorable exchange? There are two explanations grounding the preceding material with the more specific thesis theme. These explanations attribute alienation and purposeful conditioning with the advent of consumerism. First, financial community members are insisting that consumer behavior acts as an antidote for the alienation of the working class. Workers feel unfulfilled and seek diversion in their everyday lives. Laborers demand more compensation in the form of wages and leisure time. Additionally, workers demand more consumer goods (in a process that Marx (1860) would term the production of fetishist attitudes).

This desire is originally instilled by the capitalist system as a mechanism for inducing labor participation and is a reflection of individual perceptions. More specifically, the role of advertising in producing an agenda for consumer choices and an 'antidote' for alienation is a constant feature within an industrialized society. Ewen (1976) was correct in assuming that consumer culture arises out of a need for

seeking personal comfort in pressurized domestic and work environments. Consumers buy the goods and services provided by capitalist business interests. Manufacturers must sell the available goods and services in realizing an eventual profit. However, consumers will not buy durable goods or the experiences offered by Las Vegas or Disney World unless the products offer an intrinsic reward.

Consumers are manipulated by shifting social standards. Consumer debt evolves into a way of life. Alienative effects are assuaged through invention of 'Disneyland' and its offshoots over the last thirty five years. One's credit card or line of credit provides an access for products marketed through advertising and offered as cultural alternatives.

Purposeful conditioning is the second explanation addressed in this section. Acceptance of consumer credit, degree of spending behavior, and consequences from excessive abuses are promoted and controlled by the consumer credit industry. The credit industry is faced with a two pronged dilemma. First, it must stimulate enough demand in assuring financial profits from sales, credit card annual fees, and installment payments. Second, it must deal with some overzealous customers rendered out of control through enthusiastic acceptance of these credit privileges. The degree of reward through extended credit lines or punishment exacted with denied credit privileges is determined within constant industrial reevaluations.

A discussion of credit report information dissemination within the final chapter brings these points into a more comprehensive framework. A transformation from 'wants' to 'needs' is the result of an implicitly intrusive social process. Marxist perceptions employed in this analysis assert that the industrial sector imposes more authoritative control than it can legitimately justify. Habermas (1971) and others claim that this autonomy is really more indicative of manipulatively pre-selected product choices rather than directly determined through public demand.

The social dynamics of supply and demand, market rationalization and social control are a few of the considerations accounting for these trends. One of the contributions of this thesis is a formulation of social control measures and relative stigma attributed to particular customers. Consumer credit functions as a credentialing device that legitimates status attainment of the credit holders. Deviant classification can subsequently emerge out of these criteria. These credentials are capable of producing social approval or invoking the stigmatizable/stigmatized potential (Goffman, 1959). Social standing can shift in accordance with official recognition or negative sanctioning.

Throughout this process, great importance is placed upon the formulation of normative values and shifts between consumer credit as a proactive development or detriment. Criteria constituting social normalcy shift according to the

mores associated with the relative stage of that society. Which is more desirable--the prudent persons rejecting consumer credit in fear of economic liability or the overzealous persons accepting the normative obligation and consequentially overextending themselves?

Ironically, consumer credit (or owing money) was socially discouraged until the middle portion of the 20th century. The post World War II era produced a spending boom fueled by readily available consumer credit. Owing money was no longer considered a social stigma.

Similarly, there is a process of status negotiation involved in this process. Consumer functions served as a positive economic link between the individual and economic institutional forces. The opening of these economic links transformed the conceptualization of the role of consumer credit. Consumer credit was an extension of our everyday lives rather than an outside intrusion on traditional social habits.

The continued extension of consumer credit inevitably increased numbers of people incapable of handling their finances. The economic sector can deal with those people by permanently stigmatizing them for aberrant social behavior. Consumer credit privileges are easily granted or withdrawn. The bankruptcy already appears on their credit files for seven-ten years.

Another option emerged as the number of bankruptcies increased over the last forty years. Bankruptcies were excused as a penalty for overemphatic participation within the economic sector. A previously negative connotation of individual failure was transformed into a "boys will be boys" mentality. Ironically, bankruptcy applicants are the most ideal recipients for new credit cards or other extended economic resources. These consumers cannot reapply for bankruptcy protection for another seven year period.

The industrial sector may have been too effective in its social control efforts. The ideal customer actively engages in consumer credit activity and makes regular payments. This economic pattern is one end of the process. A less desirable consequence develops when someone acquires the reputation for abusing these privileges and 'going in over their head.' Industrial concerns neutralized the objections concerning consumer debt as an undesirable practice. Cutting off consumer credit for enthusiastic customers endangers retail volume. Placing the delinquent individuals on a leash and permitting continued credit participation is a far more preferable option.

Institutions incorporated in the analysis include retail distribution networks and advertising agencies. These institutions are responsible for commissioning the production of consumer goods, ensuring the availability of these items, and marketing the advantages of the appropriate goods and

services. The ongoing storyline pinpoints how these activities produced a historical change in consumer behavior. Consumer credit as an economic innovation offers some clues about how individual behavior is altered by outside social forces.

An analysis of statistical debt, along with information derived from interviews with executives placed in advertising, retail and credit card companies and banking circles will test this thesis.

Rise of the Consumer Sector

A social historical view of the consumer society indicates several important evolutionary changes. The capitalist process culminated in the establishment of an emphasis on consumer commodities. Automobiles and homes are two major examples of the impact that consumption (in the form of consumer wants or needs) has effected upon American society. The automobile is probably the most significant social invention of the twentieth century. People were afforded increased mobility for occupational, residential and recreational choices. Major corporations and factories subsequential relocated or were established in previously undeveloped areas, and an expansion in the tourist industry developed as a result of the ascendance of the automobile.

Mass production of the automobile did not occur until the early 1900s (Ewen, 1976). Originally, automobiles were

particularly expensive and only the affluent could afford the newly accepted transportation alternative. Henry Ford sparked a consumer revolution with the production of the Model T. This marked the first time that automobiles (or other industrial products) were produced on an assembly line (Braverman, 1975). Workers built more automobiles than was heretofore possible. These machines were intended for consumer use. The rationalization was centered around an industrial sector belief that the public would buy the product.

Changes in the manufacturing system carried a dual impact in fulfilling this plan. In one respect, a market for this new product was necessary. Ford solved that problem by increasing workers' wages and shortening the work week. Ford also instituted an installment plan wherein workers could purchase the automobile through regular payments. Workers now had the capability of purchasing a produced which they collectively mass produced (Harvey, 1989).

The development of home construction on a mass production level was another product of the consumer revolution. Rapid acceptance of the automobile enabled greater mobility in the exodus from major urban areas. Many items treasured by consumers, including homes, were previously given low priority. Families were reestablished with the culmination of the second world war and people were seeking previously unavailable consumer products. Rubber, metal and other

materials were now available after being used during the war by the military industry for weapons production.

These items were now mass produced and spurred the post war affluence. Homes were built to accommodate the pent-up demand for consumer comfort. Veterans and others could obtain mortgages based upon low postwar rates (Polenberg, 1980). A mass construction of entire communities was planned and supervised by William Levitt. Subsequently called Levittown in honor of its founder, these communities stimulated growth of suburban areas. Consumer services spread beyond the previously settled urban areas. Shopping centers and some urban conveniences were established in these new locales in accommodating the population redistribution.

Rise of Consumer Credit Amidst Capitalist Development

The foregoing analysis was predicated upon the development of advanced capitalist societies. An advanced capitalist society was characterized by the exchange of surplus goods in a competitive marketplace. Necessary organization for achieving this goal produced bureaucracy as the cost of efficient exchange. An elaborate industrial apparatus predicated upon the dissemination and management of consumer credit information emphasized the maximization of profit and careful control of consumer selection.

Legitimation of designated officials and their organizations had an impact upon the consumer position in this

social structure. Retailing or marketing organizations derived their social control potential through generational consumer dependence. The credit instrument or retail outlet emerged as an intangible part of everyday life. Consumers are striving for accumulation through the acquisition of manufactured goods. Accumulation is an affirmation of acquired consumer social status.

Economic success was linked with cultural recognition and symbolic capital. Acquisition of social status elevated the profile of industrial producers. The 'captains of industry' during the latter portion of the 19th century and early part of the 20th century were transformed into revered role models (Lowenthal, 1948). Lowenthal utilized content analysis in tracing the development of popular culture through documenting the idolization of conspicuous industrialists (e.g., Ford and Chrysler). He claims that the social focus was altered with the emphasis on active consumer behavior. New role models in the form of popular entertainers or sports stars gradually supplanted these industrial giants. Cultural expectations adapted in succeeding generations throughout the twentieth century viewed consumer spending with increasing favor.

One cautionary note is necessary in the explication of these social historical trends. Bourdieu (1984), Bell (1976) and other social critics realize that the Protestant Ethic was a reification of idealized expectations rather than an actual phenomenon.²⁰ Weber (1902) acknowledged that the emergence

of organizational rationality downplayed the ultimate influence of asceticism and virtuous social sacrifice. The actual consumer culture accepts Weber's premise as developing more relevance during the post industrial and later postmodern (or post-Fordist) eras. This point is reemphasized by the contributions of Bell (1976, 1976a), O'Connor (1982), and other commentators.

Convergence between Marxist and capitalist priorities emerge at this point in the analysis. Capitalists are concerned about the expected supply and demand, consumer consumption patterns and the transformation between wants and needs. Adherents of social system theory firmly support the legitimacy of the entrepreneurship mechanism.

The profit goals justified the means of altering consumer behavior through marketing and other enticements. Modern conveniences and attainment of ever emerging products were emphasized over traditional standards. The antiquated railroad flat depicted in the classic 1950s Honeymooners television series (starring Jackie Gleason) is supplanted with the advent of newly available technology within the next decade.

Marxists expand this notion into concern about the impact of these changes. The Marxist view places greater emphasis upon capitalist exploitation within the economic sphere and inequities built into the system. According to Marxists, the capitalist class acquired its considerable social economic

control over several decades and facilitated redefined social expectations.

This thesis will not concentrate heavily upon the critical progression from central to market economy. Nevertheless, social control mechanisms essential for supporting the market economy are built into the cultural system and remain a facet of the consumer credit revolution. Subsequent analysis will extend the Marxist perspective into the more "atheoretical" view that built-in specialization of a culturally based context drives the consumer oriented production of goods or experiences. Consumers purchase images as much as tangible or material goods.

The result supports the creation of a post-Fordist or niche marketing emphasis. The emphasis upon product or experiential diversification strengthens a constantly shifting cultural base offering more choices or experiences than in previous generations. Subsequent analysis leads through contextualized experiences, marketing, retail and the creation of mall culture, and a reconsideration of the social meaning associated with bankruptcy and consumer credit default.

Notes

1. Personal choice is a reference toward consumer products intended for fulfillment of leisure or work related fulfillment.

2. These distinctions were created by Ogilvy and Mather as a successful American Express Green Card advertising campaign. See the New York Times, November 8, 1991.

3. See the remainder of this chapter and subsequent sections on cultural shifts, advertising, retailing, and the social conception of bankruptcy.

4. These perspectives explain the role of consumer credit in American society, the individual motivations for using borrowed funds, and the larger significance of interest rate levels.

Consumer orientation toward consumer debt has been analyzed by sociologists on several occasions, notably by Jay Bass (1977) and David Caplovitz (1965; 1973). Most analyses of consumer credit, starting with Bass, has dealt with consumer debt and the plight of the overburdened consumer (Bass, 1981). Bass was concerned with the social forces emphasizing consumer debt and the debt collection industry.

Bass (1977) drew upon a more extensive dissertation study in her analysis of the consumer credit industry and structure of the debt collection industry. Analysis developed in the present dissertation draws upon Bass's previous research and specific conclusions regarding the consumer debt accumulation process.

Others, starting with Caplovitz, drew upon social science interviews and survey data in an assessment of the retailing options available in ghetto neighborhoods and how people struggle with consumer debt. These analyses interpret consumer debt as an overall phenomena affecting the general societal population. Caplovitz's research on consumer buying patterns and the consequences of debt are accorded further analysis in this document.

5. Post-Fordism refers to a social tendency toward diversified production and consumption of consumer goods and services. The name is derived from the standardized assembly line procedures devised by Henry Ford in the early twentieth century. The consumer could have any car they wanted providing it was a Black Model T. David Harvey, 1989, discusses the political-economic transformation of late twentieth-century capitalism and the transition from Fordism to flexible accumulation.

6. The overall experience of total social control of our working and leisure lives has been addresses by Neo-Marxists (Marcuse, 1964) and more current postmodern writers (see Baudrillard's study of Las Vegas). Juliet Schor offers an analysis of how leisure time is more constricted due to unnecessary work beyond the point of producing a profit. Schor, 1991 offers the thesis that longer working hours exacerbate the work and spend cycle. Therefore, capitalist control over our everyday lives is enhanced as we work in order to spend and spend in justifying longer working hours.

7. I have visited Las Vegas, Disney World, Disneyland, Epcot Center, and the Fantasy Suite locations discussed in later sections of this thesis. Many postmodern writers abstain from experiencing such attractions first-hand for fear of contaminating their own individual point of view. Contrast my impressions with those of Zukin (1991) and other writers within the popular postmodern genre.

8. The implication is that consumer capital in the form of purchased cultural experience takes precedence over labor intensive processes during the Fordist assembly line era. Henry Ford realized that tendency in the mass marketing of the Model T through installment credit extension.

9. See Ewen's intellectual trilogy (1976, 1982, 1988) highlighting the dependence upon image making and capitalist emphasis upon niche marketing.

10. There is an extensive body of literature of literature on privacy invasion via bureaucratized banking system operations. See Rule, McAdam, Stearns and Uglow, 1980.

11. Individuated products serving consumer choice and comprising cultural significance are introduced into the economic sector. These commodities transcend Henry Ford's dictum that consumers can purchase "any Model T as long as it is black."

12. Paranoia is used as a feeling that the capitalist society is instrumental in producing false consciousness or adverse individual frustration. This notion runs counter to the running theme of culture and symbolic status representation.

13. See Ewen, 1976.

14. A forthcoming discussion of the credit card industry's development will bear out this analysis.

15. Background provided by Bourdieu, 1984 and Hirsch, 1976, will substantiate this categorical analysis.

16. The "point of purchase" refers to department store cashier stations. The chapter on retail operations details how electronic funds transfer systems (EFTS) and Automatic Teller Machines (ATMS) facilitate such purchases in department stores or supermarkets.

17. See the more detailed discussion of Foucault and socially created control mechanisms as presented in the next chapter of this thesis.

18. See analyses offered in the next chapter. Especially note the work of Bellah, et.al. (1985) and Foucault (1977) as they point out that social character is pivotal in the derivation of individual choice. Consumer values, along with the culturally conditioned place of social status (Bourdieu, 1984) form a central thesis for the discussion offered in subsequent chapters.

19. The utopian planners insist that the market is always ripe for new products. Toffler, 1973, addresses a changing corporate and consumer environment as an important factor in evolving consumer needs.

20. Intellectual speculation surrounds a controversy consisting of whether the Protestant Ethic was always an ideological construction rather than social reality. According to comments by Joseph Bensman in numerous classes given at the CUNY Graduate School during the late 1970s through early 1980s on the sociology of Max Weber, the Protestant Ethic was predominantly neutralized during the latter portion of the nineteenth century by the formation of a consumer culture.

Chapter Two

Advent of Post-Fordism cultural Developments

Introduction

The previous chapter accounted for consumer activity as a form of affirmed social recognition.¹ Linkages between credit standing and overall status formulation (or reputation) were viewed as instrumental in encouraging the consumer revolution. Technical, historical and ideological components contributed toward bolstering consumerism as a way of life.

In sum, American society has moved from a focus upon an information driven, technical or industrial work force to an emphasis upon the actual produced goods and their marketing potential. Developments connected with the bridge between the post-industrial economic system and the more recent post-Fordist cultural era form a vital portion of the offered analysis. Consumer credit assumes a significant cultural economic role in transforming American society through the facilitation of commodity marketing and subsequent distribution.

According to many experts, marketing is considered in the planning stages before the production of tangible goods.² Piore and Sable (1978) elaborate upon the concept of flexible specialization (otherwise termed niche marketing) in their analysis of the changing economic system.³ Harvey (1989)

offers a similar viewpoint in a discussion of flexible accumulation. New products are created for a preexisting or fabricated set of consumer desires. The diversified range of products and their predetermined or created consumer markets plug directly into the American cultural system.

Consumer credit, through advertising promotion or publicly acknowledged product utility, offers tourists and consumers a free rein on tapping into product or experience acquisition as cultural capital. Thus, a videocassette recorder or a Disney World vacation assumes values stemming from their cultural capital. Prestige and status, as much as utility, drive the development of the marketplace. Every object, whether a physical entity or an intangible experience, carries a particular value or personal meaning. Cultural appropriation (association between a tangible product or a manufactured environment) surrounding Disney World and other theme parks (along with assorted tourist attractions) give these commodities a legitimated social status.

A brief history of consumer credit development from the early 1900s through the early 1990s incorporates an explanation of how current culture constantly evolves. Post-industrial society was dependent upon stimulated consumer activity stemming from industrial effort. Workers desired to exchange their wages for consumer goods and available cultural experience.

The distribution of the produced goods or new services was accomplished by a new middle class professional group striving for upward mobility. New social classes were created with the democratization of consumer activity. The rise of the middle class in the period between 1890-1920 created the impetus for a post-industrial society (Smock, 1958; Bass, 1978; Bell, 1976). The modernist formation of new lifestyle choices and status categories gives way to postmodern stress upon flexibility and constant change.

The post-industrial society was formed through a combination of social historical forces. Ewen (1976) characterized the social historical forces as conditions promoting marketing, consumer processes, and acculturation of the mass public with the temptation of consumer credit. The resultant post-industrial society, with its various cultural contradictions (Bell, 1976a), emphasizes a pronounced information technology.⁴

Information technology systems are an essential component of the cultural climate encouraging instant consumer gratification. Information technology facilitates the dissemination of consumer credit. As a result, flexible accumulation is encouraged through the immediate dispensing of cash or transfer payments. Hendrickson (1974) documents how credit cards and information storage capacity can lead into a cashless society through information transfer systems. Credit card technology enables the development of instant cash

transfers through banking automatic teller machines, debit cards, or such programs as Master Teller. Such systems provide cash or instant fulfillment of everyday needs. Immediate cash, whether at a racetrack, department store or neighborhood bank, enable the purchase of goods or services not immediately obtainable with credit cards.

An understanding of the information technology forces and cultural shifts discussed by Bourdieu (1984) and Harvey (1989) helps to build a framework accounting for a composite of the transition between the post-industrial and post-modern era. This chapter incorporates the above elements in the evolution from the Fordist era into the age of credit card utility for essential social services and discretionary consumer products.

Marketing Tangible Goods and Cultural Experience

Marketing schemes developed following the post-industrial economic phase incorporated two important factors: 1) commodity distribution as a form of social control and 2) a reinforcement of individual character structure. The economic system attempts a semblance of control over consumer spending and the penalties for nonpayment of accumulated debts.

Foucault (1984) provides a rationale for the above marketing approach. Discipline and Punish (1984), one of his best known books, is a historical analysis of the development and reformist tendencies within the prison system. Foucault points out that punishment incorporates significant social

dimensions. His discussion of punishment takes on a general utility beyond the simple punishment of an offender for the violation of perceived criminal offenses:

Punishment, then, will tend to become the most hidden part of the penal process. This has several consequences: it leaves the domain of more or less everyday perception and enters that of abstract consciousness; its effectiveness is seen as resulting from its inevitability, not from its visible intensity; it is the certainty of being punished and not the horrifying spectacle of public punishment that must discourage crime; the exemplary mechanics of punishment changes its mechanisms.⁵

Foucault continues his discussion of general deterrence with another statement on why the state must impose punishment. The state in this analysis can represent any institutions with cultural economic control:

The fact that the crime and the punishment were related and bound up in the form of atrocity was not the result of some obscurely accepted law of retaliation. It was the effect, in the rites of punishment, of a certain mechanism of power: of a power that not only did not hesitate to exert itself directly on bodies, but was exalted and strengthened by its visible manifestations; of a power that asserted itself as an armed power whose functions of maintaining order were not entirely unconnected with the functions of war; of a power that presented rules and obligations as personal bonds, a breach of which constituted an offence and called for vengeance; of a power for which disobedience was an act of hostility, the first sign of rebellion, which is not in principle different from civil war; of a power that had to demonstrate not why it enforced its laws, but who were its enemies, and what unleashing of force threatened them; of a power which, in the absence of continual supervision, sought a renewal of its effect in the spectacle of its individual manifestations; of a power that was recharged in the ritual display of its reality as a 'super-power.'⁶

Foucault presents a further point about social contract and the need for systematic punishment.⁷ Societal control over everyday activities creates a common labeling of rule breakers as social enemies:

In effect the offence opposes an individual to the entire social body; in order to punish him, society has the right to oppose him in its entirety. It is an unequal struggle: on one side are all the forces, all the power, all the rights. And this is how it should be, since the defence of each individual is involved. Thus a formidable right to punish is established, since the offender becomes the common enemy. Indeed, he is worse than an enemy, for it is from within society that he delivers his blows—he is nothing less than a traitor, a 'monster'. How could society not have an absolute right over him? How could it not demand, quite simply, his elimination? And, although it is true that the principle of punishment must be subscribed to in the pact, must not each citizen, logically, accept the extreme penalty for those of them who attack them as a body. 'Every malefactor, by attacking the social rights, becomes, but his crimes, a rebel and a traitor to his country; by violating its laws he ceases to be a member of it; he even makes war upon it.'

Foucault's objectives in Discipline and Punish are tangentially related with the analysis of the consumer credit system discussed in this dissertation. The power to punish is an extension of the legal code and a result of effective economic control over societal institutions.⁸

Foucault then states several general rules regarding how researchers should examine punishment in a social context:

1. Do not concentrate the power of the punitive mechanisms on their 'repressive' effects alone, on their 'punishment' aspects alone, but situate them in a whole series of their possible positive effects, even if these seem marginal at first sight. As a consequence, regard punishment as a complex social function.

2. Analyze punitive methods not simply as consequences of legislation or as indicators of social structures, but as techniques possessing their own specificity in the more general field of other ways of exercising power. Regard punishment as a political tactic.

3. Try to discover whether this entry of the soul onto the scene of penal justice, and with it the insertion in legal practice of a whole corpus of 'scientific' knowledge, is not the effect of a transformation of the way in which the body itself is invested by power relations.⁹

Punishment is retributive within an applied generalizable social context utilizing Foucault's overall view. Consumer credit, along with its interlinks designating honorific status, is a signification of social economic acceptance or rejection. The credit reporting system provides a means of sanctioning consumers with questionable credit utilization patterns. Marketing criteria separate the most desirable from marginal credit risks. Commodity acquisition is blocked when consumer credit is never granted or after an established 'negative' credit pattern.

An inherent contradiction exists in the above proposition. On one hand, the success of niche marketing was predicated upon the ideal that consumers required economic resources for the consumption of numerous emerging goods and services. The exclusion of a number of willing consumers circumvents the market demand for many culturally desirable products. The circumstances in this later stage of post-fordist economic structure dictate extending consumer credit to both excellent and marginal credit risks. The punishment is a "hell"

consisting of more consumer spending because the economic system cannot afford the loss of motivated consumer activity.

Bellah, Madsen, Sullivan, Swidler, and Tipton (1985) take this measure one step further. According to Bellah's observations, economic structure is one element in a larger social system. Habits of the Heart focuses upon cultural control from within social institutions. The authors discuss everyday beliefs and how social customs transform social class definitions. In this case, commitment is one element within a larger consideration of the closeness between social expectations imposed by society and individual choice. The inner directed person accepts the cultural expectation of acquiring material objects or rejecting the latest social appearances.¹⁰ Reisman (1957) incorporates other forms of social adaptation in explaining the extension of commitment in everyday social life.

Bellah, Madsen, Sullivan, Swidler, and Tipton (1985) began with the derivative of their research perspective:

The fundamental question we posed, and that was repeatedly posed to us, was how to preserve or create a morally coherent life. But the kind of life we want depends on the kind of people we are-on our character.¹¹

Bellah, Madsen, Sullivan, Swidler and Tipton (1985) elaborated on this framework with a rationale for utilizing De Tocqueville's (1830) vision of American life. The central problem for Habits of the Heart and a substantial sub-theme for this dissertation study concerns De Tocqueville's conception of individualism¹²:

De Tocqueville described the mores-which he on occasion called "habits of the heart"-of the American people and showed how they helped to form American character. He singled out family life, our religious traditions, and our participation in local politics as helping to create the kind of person who could sustain a connection to a wider political community and thus ultimately support the maintenance of free institutions. He also warned that some aspects of our character-what he was one of the first to call "individualism"-might eventually isolate Americans from one another and thereby undermine the conditions of freedom.¹³

Bellah, Madsen, Sullivan, Swidler, and Tipton (1985) further define the central focus of their study of American character:

The central problem of our book concerns that American individualism that Tocqueville described with a mixture of admiration and anxiety. It seems to us that it is individualism, and not equality, as Tocqueville thought, that has marched inexorably through our history. We are concerned that this individualism may have grown cancerous-that it may be destroying those social integuments that Tocqueville saw as moderating its more destructive potentialities, that it may be threatening the survival of freedom itself. We want to know what individualism in America looks and feels like, and how the world appears in its light.

Bellah, et.al. (1985) add the influence of culture as an important sub-theme in their analysis:

We are also interested in those cultural traditions and practices that, without destroying individuality, serve to limit and restrain the destructive side of individualism and provide alternative models for how Americans might live. We want to know how these have fared since Toqueville's day, and how likely their renewal is.¹⁴

Punishment and rugged individualism are two important elements instrumental in analyzing the impact of consumer credit. The combination of punishment and rugged individualism were important considerations accounting for how

consumer credit became a powerful cultural and economic force in American society. In The Good Society, a follow-up to their earlier work, Bellah, Madsen, Sullivan, Swidler and Tipton (1992:210-211) analyze an intrinsic conflict present in most considerations of the shift from the religious to the secular based cultural ideology guiding society. Culture and community clash as forces seeking to preserve traditional values through imposition of sanctions on consumer credit. In a discussion of religion in the community, secularism and the search for individuality is attacked by Christian leaders:

Consumerism, in Hatch's view, denies the needs of the poor in the name of our own anxious desire. But, most of all, "consumerism kills the soul, as any good Augustinian can see, because it places things before the valuing of God and human community." It deadens our consciousness and thickens our senses. Drug and alcohol addiction are leading symptoms of this. The evangelists cry out about this, but what do the mainline churches have to say? Almost nothing. "Why?" asks Hatch. "Because we have defined religion as a deeply interior or otherworldly reality prior to any kind of life practice. One you do that, how you actually live every day doesn't affect it one way or another"

"The mainline churches have done a lousy job in naming the suffering of middle-class existence in our time. We haven't told the truth about it. That's the church's greatest sin-not saying that the competitive, driven existence that divides what is to be a man or woman, a white or black, is a form of human suffering. It narrows and binds the human spirit. The church's greatest challenge in America is "to enable middle-class folks to recognize that their nice consumerism existence is killing them, plus killing the Third World. We don't really have much of a commitment to the Third World, so those appeals for charity and inducements to guilt don't have much effect. What we do have is a fierce commitment to our existence. If we see that our own existence is in danger, and in fact it is not good, even for us, then maybe we'll be moved to act"¹⁵

The perspectives of Bellah, Madsen, Sullivan, Swidler, Tipton (1985, 1992) are seemingly derivative of earlier research efforts. Reich (1973) argued that people reach their potential personal growth levels through cultural experience. Political and social barriers are restructured when individuals invest concerted effort in expanding their own capabilities. A prolonged attack on group values and stress on individualistic success often results from this selfishness.¹⁶

Although the passage of twenty years has disproved Reich's assertions on the growth of progressive ideas advanced in political movements, his points on the nature of social structure and community formation are still worth reiterating. Reich's ideas are probably best typified by a passage within the first chapter of The Greening of America:

There is a revolution coming. It will not be like revolutions of the past. It will originate with the individual and with culture. And it will change the political structure only as its final act. It will not require violence to succeed, and it cannot be successfully resisted by violence. It is now spreading with amazing rapidity, and already our laws, institutions, and social structure are changing in consequences: It promises a higher reason, a more human community, and a new and liberated individual. Its ultimate creation will be a new and endearing wholeness and beauty—a renewed relationship of man to himself, to other men, to society, to nature and to the land.¹⁷

Reich continues in an extrapolation of how this change in our social climate will impact on everyday lifestyles. He refers to the material and cultural capital¹⁸ which is consumed in the process of forming our everyday roles.

Cultural changes have an impact upon American consumers.

Reich indicates how everyone is affected by this change:

...revolution of a new generation-a system typified by protest, rebellion, culture, clothes, music, drugs, rays of thoughts, liberated life styles are not a passing fad or form of dissent and refusal, nor in any sense irrational. Necessity and inequality will include youth and all people.¹⁹

Reich's speculative notion of cultural revolution eventually evolved into social reality. Reich's speculations portended the rise of post structural thought. Cultural values emphasize the utility of consumer credit as symbolic capital in acquiring social status. The inner directed person from the 1960's-early 1970s was transformed into the young, upwardly mobile professional (YUPPIE) of the 1980s. Greed and self aggrandizement were emphasized over sacrifice.

Reputations are built upon outward appearances and lifestyles rather than hard work. The 'me generation' was typified by Michael Milken and other free spending mega-millionaire executives. The possession and visible expenditure of wealth was interlinked with elevated status. The purported prosperity was a feature within the larger society. Average persons emulated the ultra rich through free spending on consumer credit accounts.²⁰ Consequences from the incredible spending sprees within the past decade are still reverberating in the debt ridden 1990s.

Consequences of a free spending society were foreseen in Reich's work. The relationship between consumer values,

economy, and modern life were pointed out in the following passage from The Greening of America (1974):

Today a man gets poorer simply by standing still. There is a general rise in prices, a gradual inflation each year. One of the important costs of a rapidly growing and changing economy is the risk that each individual bears—that he and his training or job will become obsolete. Such an economy has many victims, but it does not pretend to pay more than a tiny fraction of the costs, although they are just as many costs of production as the physical accidents industrial accidents which once were treated the same way. An example of another type of cost for the individual is the growth of large cities. Living in an urban environment is far more expensive than in a small town.

And at the same time so many country pleasures are lost that for the urban worker needs expensive substitutes—television, example, instead of a Sunday afternoon ball game with local friends. Since one of the consequences of "growth" is to make the simple product complicated, individuals are constantly having to pay for a "better" product—color instead of black-and-white TV, homogenized instead of regular peanut butter.²¹

Reich then offers a critique of capitalist society. The implied alienation associated with a transition from industrial through post-industrial and finally post modern is addressed in Reich's commentary on the process of substitution:

As Galbraith points out in The New Industrial State, our economy is long past satisfying the most pressing needs of the society. Today, continued growth depends upon creating new wants, developing new goods and services. In large measure, this is done by a process of substitution. One cannot sell anything to a satisfied man. Ergo, make him want something new, or take away something that he has and then sell him something to take its place. Take away man's appreciation of natural body odors and then sell him deodorants and perfumes. Remove adventure from daily life and substitute manufactured adventure on television. Make it hard for an adult man to enjoy physical sport and give him a seat in a stadium to watch professional play. Give him less

time to cook and sell him instant dinners. It has always been contended that the logic of commerce is improvement: make a better mousetrap and everyone will profit. But that is only what some optimists hope will be the result of commerce. The logic of commerce is simply to sell, whether the product is better or worse. Pollution of a beach is of course an accident; only a paranoid would see it as a plot to sell swimming pools. But failure to safeguard footpaths does sell cars. Technology has its own reasons for removing things from the culture (these have been described by Herbert Marcuse in Eros and Civilization). Unregulated sex, play, music, and dance do not go well with the model worker-consumer who must single-mindedly work when he is supposed to work, and consumer mass-produced products when he is expected to consume. Carefully designed substitutes for the natural pleasures are less troublesome and more profitable.²²

Reich is commenting that the logic of capitalism is bound in the manufacture of images and the shaping of everyday values. The creation of symbolic (or real) capital is a specific target of these changes.²³ The developing post structural (or post modern perspective) focuses upon the relationship between economic structures and everyday consciousness as inherent in an ever-changing economic climate.

Bourdieu and a Culture Based Analysis of Consumerism

Bourdieu (1984)²⁴ argues that material acquisition is a class based social pattern supported by anticipatory status attainment. Bourdieu examines the relationship between cultural expression and honorific community standing. Consumer goods acquired in the name of cultural expression are symbolic of status achievement assigned by general social consensus.

More importantly, Bourdieu is focusing upon the reintegration between the economic and cultural dimensions of society. Class distinctions within the economy subsequently generate economic distinctions within the cultural realm. Both economic and cultural factors regenerate and legitimate the class structure. In effect, everyday cultural values are associated with a viable economic system supplying the basis for distinguishing particular social class segments. In other words, class and status are intricately related dimension of social life.

Gartman (1991) posited several important observations in an important critique of Bourdieu's theoretical framework. Gartman observed that Bourdieu employs a "substantive Veblenesque concept of culture as a system of social symbols revealing relative position in a game of invidious distinctions." ²⁵

Additionally, Gartman (1991) asserts that Bourdieu abandons the concept of people as cultural actors engaged in praxis and capable of revolutionizing and reproducing class systems. Instead, class structure is internalized within individuals and expressed as symbolic representations. The accompanying social class choices become symbolic standards dictating quality of life and social meaning as reflected by cultural representations. Cultural representations act as distinctions that social members utilize while engaged in

reintegrating the realities of culture into social class standing.

Gartman's critique also includes another important point. Bourdieu considers the consumption of symbolic goods and the reproduction of class domination through legitimation and selection. Self interests and economic behavior are related with economic realities and cultural practices. People pursue scarce goods and maximize profits in economic and cultural fields. In effect, the combination of both factors produce and sustain the continuing consumption dynamic in everyday life.

Gartman is correct in observing that Veblen (1967) was noted for advancing this position in a discussion of invidious emulation.²⁶ Hirsch's principle of positional goods is another such example of status symbols established through economic and cultural control. Hirsch asserted that specific positional goods (or status laden objects) are monopolized by upper class societal members. Some examples of these goods include caviar, formal clothing ensembles, and antiques.

Gartman (1991) elaborates in noting that people in cultural contexts employ "capital" acquired or inherited in their efforts to maximize resources. These resources constitute cultural capital, also expressed as symbolic abilities, tastes, and goods. Ownership of these goods are regarded as "symbolic profits" derived for social honor or prestige. In effect, Bourdieu focuses upon class conflict as

a limiting force in the overall class structure. Gartman (1991:438) observes that Bourdieu's conception of class struggle is confined to the struggle for power between the "dominant and dominated factions of the bourgeoisie and the struggle for symbolic capital within the latter." The interclass conflict "never fundamentally challenges the class struggle of capitalism, since all bourgeois factions have an interest in their joint domination of the working class."²⁷

Gartman aptly states that Bourdieu's interpretation of cultural change (as related to habitus-or class position determining consumption) is not caused by fundamental struggles between classes with "inherently divergent interests."²⁸ Gartman places an emphasis on Bourdieu's analysis of "shifts in resources between individuals and class fractions maneuvering in cultural markets to monopolize symbolic capital."²⁹ The dominated class of capitalism is almost completely passive and powerless. But cultural capital (or cultural practices and goods) are desired by the working class because the "taste" is forced upon them by their subordinate class position.

Bourdieu accepts the principle that the bourgeoisie acquires a taste for freedom, while the working class accepts a taste for necessity. Workers so thoroughly internalize their own domination that they inevitably rely on the symbolic tools created externally by bourgeois intellectuals. In

effect, workers accept noncritical values defined by a dominant class.

The commercial analogy of workers desiring Grey Poupon mustard is one example where snob appeal is expressed as cultural capital filtering into lower and middle class consciousness. "The common person" desires symbolic or cultural commodities signifying distinctions conveyed through gaining possession of material or nonmaterial resources. The videocassette recorder, automobile, artwork, travel experience or even the snobbish Grey Poupon mustard in current commercials are commodities purchasable by most social class groups. Niche marketing with products targeted for specific groups is also achieved in this fashion. Acquisition of more expensive items immediately unaffordable for some people is facilitated through the use of credit cards and installment credit plans.

Consumer Credit and Post-Fordist Economic Development

An understanding of the postmodern era of cultural diversity and constant change facilitated by the availability of consumer credit must begin elsewhere. The credit card industry began in an earlier time. Details explaining the development of credit card utilization, attitudes toward credit card use, and the changing societal acceptance of credit cards are reflected within the shifts from industrial, post-industrial, post-Fordist and postmodern eras.

Mandell (1990) documents the development of the credit card industry, aspects of economic growth within the credit card industry, the influence of technology, and current changes in the credit card industry. A consideration of these aspects must take into consideration the current level of credit card growth. Mandell (1990:XI) reports that 1988 statistics on credit cards indicated that there were nearly 1.25 billion credit cards in circulation worldwide. Consumers charged nearly \$375 billion on their credit cards-12.6 percent of total consumer spending for all goods and services.³⁰

The overall development of the credit card industry approximates the transition from the industrial to the postmodern economic phases. During the early twentieth century, acceptance of consumer credit took off with the demand for durable goods (automobiles, washing machines, vacuum cleaners and other big-ticket household goods). Credit cards were already issued by some United States hotels, oil companies and department stores. The earliest credit cards served to identify a customer with a charge account and provide merchants with a mechanism for keeping a record of customer purchases.³¹

Credit cards also constituted an extension of pre-existing installment plans. Credit cards acted as a mechanism in forming allegiance between wealthy customers and a given store and generated sales of higher priced items. Gasoline cards were issued in the 1920s as more consumers began buying

automobiles. The growing airline industry started issuing installment credit in 1936 and would later establish a credit card operation. Later advances included minimum monthly payments, finance charges and 30 day grace periods.³²

The transition from the industrial to the post-industrial period was in full swing. The end of the second world war spurred a strong consumer demand for durable products and economic means for affording vacation experiences. The United States industrial base was engaged in mass production of consumer durables such as stoves, refrigerators, automobiles and other goods.³³

Ehrenreich (1990:247-248) would say that this era was the beginning of the end for the middle class. Consumer credit became a mainstay for establishing a middle class existence throughout the transition of employment from the manufacturing sector into the service jobs associated with the post-industrial period. The period identified with "traditional values" would shift into a more modern epoch with the demand for diversified goods and services-the so-called post-Fordist period. Niche marketing and diversification gave way to an image enhanced lifestyle characterized by a greater demand for goods, services and the accessing of available experiences.³⁴

According to Ehrenreich (1990:248), the demand for materialist products and the newly realized middle class mobility went beyond the surface improvements in living

conditions. Emotional and structural consequences resulted from the economic transition:

The clamor for tradition is not, as many seem to think, part of an overdue pendular swing away from the hollow modernism of disposable loyalties, short attention spans, and easy comforts. "Traditional values" are merely a counterpoint to modernism, perhaps an inevitable feature of it. The broader the path to what appears to be laxity and surrender, the louder the calls for discipline and struggle. For the "new class" is not, as the intellectuals of the right have liked to think the locus or agent of hedonism. It is the locus of the most acute conflict over hedonism, the nexus of the most pronounced tension between modernism and tradition, consumerism and self discipline.³⁵

The "new class" accepted the new consumer values accompanying new professional status and economic means for affording the cultural signs of success in the broadened economic system. There is an interesting progression of thought on the significance of cultural success. The late 19th century and the early 20th century was a time of transition between emphasis upon industry to a focus on consumers. Veblen (1976/1899) analyzed the spread of consumer values with a discussion of conspicuous consumption and invidious emulation. The upper classes and aspiring middle class sought to distinguish themselves from the emergent immigrant groups.³⁶

Hirsch (1976) contributed to the discussion with his claim that there are specific positional goods reserved for members of the upper echelon. Members of the middle class are left with the average priced durables while the lower classes aim for what is somewhat affordable.³⁷

Potter (1954) completes the analysis with a view of the lower class aspiration to the materialist possessions enjoyed by the upper and middle classes:

In a society of consumption, as the Goodmans visualize it, production is only a means to the end of consumption, and therefore satisfaction in the work disappears. the workman accordingly focuses all his demand upon suitable working conditions, short hours, and high wages, so that he may hasten away with sufficient time, wealth, and energy to seek the goals of the consumer. This quest can be carried on "only in a great city. And the chief drive toward such goods is not individual but social. It is imitation and emulation which result in the lively demand. At first, perhaps, it is 'mass comforts' which satisfy cityfolk-these belong to the imitation of each other; but in the end it is luxuries; for these belong to emulation, to what Veblen used to call the 'imputation of superiority.'³⁸

The development of the credit card industry incorporated the basic change from an industrial based economy into a more post-fordist driven society. Harvey (1989) goes beyond the post-Fordist era in examining the roots of an eventual postmodern (or post structural society):

Most postmodern thinkers are fascinated by the new possibilities for information and knowledge production, analysis, and transfer. Lyotard (1984), for example, firmly locates his arguments in the context of new technologies of communication and, drawing upon Bell's and Touraine's theses of the passage to a postindustrial information-based society, situates the rise of postmodern thought in the heart of what he sees as a dramatic social and political transition in the languages of communication in advanced capitalist societies.³⁹

The postmodern perspective develops during a period of late capitalism. The images conveyed by an information-based society permit the transfer of knowledge from one place to another. Information on credit standing, and the issuance of

credit card credit lines, are crucial as a form of cultural capital.

Credit cards, and the privileges attributed to possessing spending power, are vital social elements defining our position in society. Foucault (1984) would claim, we are victims of the information prison. He might rightfully believe that we are shaped and defined by contradictory cultural definitions of cultural success and measured by available economic resources.

The Rise of Consumer Credit

Bourdieu's framework (1984) provides a powerful understanding of how consumer credit evolved into a significant social economic force. The acquisition of products based upon perceived individual taste is a strong motivating force in consumer acceptance of credit cards and installment debt.⁴⁰

Credit cards and other forms of consumer credit made a slow evolutionary impact on American culture and political economic change. The material in this section traces the consumer credit industry from its infancy, through maturation in the 1970s and a transformation into information processing capabilities of the post-Fordist era.

The history of credit card use corresponds with the full fledged development of post-industrial society and the transition into a more recent postmodern system emphasizing

cultural transformation. Niche marketing and the acceptance of flexible specialization provide the rationale for an ever-expanding economic base.⁴¹

Credit allocation and diversified incentives or credit card premiums are factors stemming from the increasing industrialization of the American business sector. Credit cards facilitated the rise of consumer spending for consumer products or services. The democratized spread of credit card utilization originally began with a product marketed for the very affluent. The diversification of credit card allocation facilitates the spending ability of larger consumer populations and a pronounced trend toward niche marketing.

Additionally, extended services or other incentives associated with various credit card programs promote extended consumer choices. A sizable consumer market creates a competitive atmosphere. Financial institutions and industrial firms maximize market share through the creation of new services distinguishing one credit card from another. Rebates, credit toward industrial products and specific premiums are aimed at enticing a greater share of the consumer credit card business.

The introduction of credit card circulation corresponds with the increase in post-industrial development. In the beginning, open book payments were the preferred method of handling consumer credit. Consumers merely settled their bills with local merchants. However, merchants were

continually concerned with identifying wealthy or steady customers and keeping records of customer payments. The credit card, as devised in 1914 for payment on retail purchases and 1936 for airline travel, facilitated identification and enabled wealthy customers to pay according to a convenient one-time schedule. The trend toward merchant and consumer acceptance of credit cards is striking: according to Department of Commerce data, during the first half of 1930 only 47.4 percent of department store sales were made for cash; 7 percent were made on an installment contract basis, and the remaining 45.6 percent were open book.⁴²

Credit card use began to grow with the development of industrialization and the early rise of the middle class during the 1930s. A small number of issuers among hotels, oil companies and department stores initially served to identify the wealthy from the working class. But credit card issuance gradually increased until the advent of the mid-1930s. Credit cards served to generate business from customers who did not possess ready cash. In fact, Mandell (1990:18) points out two thirds of Americans using credit cards by the mid-1930s did so because of harsh economic times. Remember that credit cards were still issued to select populations: business people, automobile owners, and generally affluent citizens.

The post-industrial era enveloped American society after the second world war. Americans now possessed discretionary income with the establishment of government programs

guaranteeing pensions, workers compensation, unemployment and disability. Consumer credit stood at \$5.7 billion in 1945. By 1970, it had grown to \$143.1 billion, and by 1980 to over \$375 billion, excluding mortgage debt.⁴³

Diversification-or niche marketing-was more prosperous than any time in our nation's history. The availability of durable goods, automobiles, and the establishment of theme parks or vacation areas (Las Vegas, Disneyland) in the period following the second world war spurred on the consumer credit industry. Revolving charges were adopted by department stores such as Gimbel's, Bloomingdale's, Filene's and Bamberger's during the period from 1930 through 1950. We were moving away from a credit card industry dependent upon sole management by individual vendors. A number of merchants-mainly large retail stores-banded together in forming a cooperative card operation.⁴⁴

Universal cards (all purpose credit cards usable for obtaining diversified merchandise) became popular early in the 1950s. The universal cards enabled customer activity at many different business settings. Diners Club proved that such a plan was profitable. The Diners Club operation expanded into Europe during the mid-1950s with the proven ability to generate a profit. The Diners club base consisted of merchants in such industries as hotels, airlines, gas stations, retail stores, and automobile rental companies.

Post-Fordist differentiation even impacted on the credit card industry. Merchant resistance to paying established discount fees led to the establishment of separate universal credit card categories-travel and entertainment (American Express, Diners Club and Carte Blanche) and the bank cards (BankAmericard and MasterCharge). Each credit card found an individual niche market in accommodating the wealthy with more discretionary spending power (the Travel and Entertainment cards catered to the more affluent business class) or the average middle class consumer (those individuals with a moderate income and some discretionary funds).

Ironically, each of the Travel and Entertainment or bank credit cards were established in response to competition from competing business interests. The post-Fordist influence is reflected in the 1958 entrance of American Express into the credit card business. American Express was worried that Diner's Club would impact substantially upon the international business traveler market. Carte Blanche was originally the private credit card of the Hilton Hotel Corporation. Formerly owned by First National City Bank, the credit card is now owned by the Avco Corporation.⁴⁵

Banking institutions also envisioned credit cards as a product with the potential for creating enormous profit. The first bank credit card was issued by the Franklin National Bank in 1951.⁴⁵ By 1955, there were more than 100 banks with credit card plans. Larger banks still did not enter into the

credit card field. Many banks introduced a new credit card plan during 1958-59. The plan called for the option of repaying balances on a revolving credit basis. The Chase Manhattan Charge Plan was introduced in 1958, at the same time as BankAmericard initiated operation on the West Coast. Chase Manhattan had 350,000 cardholders and 5,300 retail merchants by the end of its first year of operation. However, the Chase plan collapsed in January 1962 when credit losses and operating expenses mounted.⁴⁶

The collapse of the Chase credit card, along with the slow growth of the Bank of America card slowed credit card industry growth. The credit card again became a viable product when the Bank of America started growing during the mid-1960s. In 1966, the Bank of America licensed the operation of the BankAmericard across the United States.

Several other major banks formed a competitive second national card system, which became known as the Interbank Card Association. Local cards became national cards serving a mobile American population with the desire for purchasing durable goods or just financing vacation travel. In 1969, the Interbank Card Association purchased the rights to "Master Charge" from the Western States Bank Card Association. Now both major associations had a recognizable name, image and trademark that they could market as a viable product. Both operations eventually evolved into completely independent industry groups.⁴⁷

The 1970s were responsible for setting up the economic boom during the following decade. The 'me generation', actualized through credit card utilization, was transformed into a debt-carrying 'greed generation' wanting and buying everything in sight. A bellwether event signifying the 1980s generation impact occurred in 1980. President Jimmy Carter's fiscal policy measures intended for the control of inflation curtailed credit card issuance. The crisis quickly passed with credit card companies repositioning themselves through television commercials telling customers that prudent purchasing was not pernicious. The same theme occurs occasionally throughout the last two decades.

Consumer credit, particularly credit cards, were responsible for the important transition from actualizing the inner self to the march toward conspicuous consumption. Credit cards constituted an individual product that not only enabled access to durable goods or travel, but also constructed an attributed image. The postmodern era of images dominating social discourse led to enhanced individual identity through the creation of new markets for emerging products. The emerging niche markets in the late capitalist search for profit broadened middle class lives and strengthened the economic viability of a once struggling credit card industry.

Each credit card became an individual commodity subsequently marketed as painstakingly as the facilitated

purchases of consumer products or experiences. Master Charge (which later became MasterCard), BankAmericard (which later became Visa), and American Express established a target consumer group and particular image. The MasterCard image was always the average consumer and family living, Visa concentrated on travel and self actualization, and American Express was usually oriented toward the business traveler.

Greed was the watchword for the consumers spending over their economic means and the industry itself. Banks assured eventual profit through a variety of different means. Financial institutions originally depended upon installment charges for the realization of credit card profitability. However, they could not raise the interest rate above 18 percent per year.⁴⁸ They attempted implementing an average daily balance method for computing installment charges. Additionally, banks marketed other products to their customers ('cross-selling').⁴⁹ Marketing credit card utility through the post-fordist packaging of other services was very successful. Early efforts in 1973 included the establishment of a Wells Fargo Gold Account program where a \$36 fee gave the customer a check-cashing identification card, unlimited free checking, free personalized checks, a safe-deposit box, free traveler's checks, cashier's checks, money orders, a Master Charge card, overdraft protection (using the credit line on the Master Charge card, and reduced interest rates on personal loans.⁵⁰

Several major events contributed to the tremendous growth of the credit cards during the 1980s. The post-Fordist tendencies within the credit card industry were most visible during the decade. Specific developments include the redefinition of credit cards as profit generating instruments (or 'cash cows' in the financial terms), further differentiation among credit cards, the evolution of affinity cards, the creation of incentives differentiating specific credit cards, and the creation of industrial based credit card programs.

The imposition of fees, establishment of credit cards issued by non-bank organizations, and newly offered incentives transformed the credit card into a product with many disparate purposes. First, banks began charging annual fees for credit card ownership. American Express, Carte Blanche, and Diner's Club were the only credit card companies previously charging annual fees. They justified the extra cost because the card was marketed to successful corporate executives able to afford the costs and deduct such expenses as business fees.

The imposition of annual fees came the same time as a dramatic drop in interest rates during the 1980s. Credit card interest rates remained at approximately 18-21 percent while the cost of borrowing money from the federal reserve dropped below 10 percent. The annual fees (\$20 for most MasterCard and Visas issued by banking institutions) and the high interest rates produced major profits for a previously

marginal financial product. As a result, bank card operations began outperforming all other forms of bank debt.

Mandell (1990:78) points out that since 1984, bank credit card pretax margins exceeded those collected on real estate, installment, and commercial debt. This observation is documented with data showing that from 1984 to 1986, credit card returns averaged 3.6 percent, while the returns on other forms of bank debt were 2.4 percent on mortgages, 2.7 percent on consumer installment debt, and 1.4 percent on commercial and other loans.⁵¹

'Going for the Gold'

Consumer debt was more prominent during the financially explosive 1980s decade. As noted by Mandell (1990:79), a study by Glenn Canner on the credit card industry from 1970 to 1986 revealed that the average outstanding balance more than doubled (from \$649 in 1970 to \$1,472 in 1986), even though the proportion of credit card owners using the revolving credit feature remained constant at 50%.⁵²

Many banks recognized the above factors. In fact, banks that previously rejected the efficacy of a credit card program accepted and heavily promoted the product. In 1979, only 71 percent of banks offered MasterCard or Visa. By 1985, 90 percent of all banks offered a Visa and 87 percent a MasterCard. Mandell (1990:79) also offers the information that by the end of 1986, banks held nearly two-thirds of total

credit card outstanding balances, up from one-half in 1982. Interestingly, credit card receivables had become 5 percent of total bank loans by 1986, up from 3 percent in 1982.⁵³

The financial and consumer image of the card was redefined in the period from 1986 until 1992. Credit cards were transformed from post-fordist (or differentiated) products into a more postmodern image driven financial instrument. Industry competition resulted in a reinvention of the credit card image. In a significant development, financial institutions began encroaching upon the American Express Company control of the prestige card market. The MasterCard gold card was introduced in June 1981 and the Visa Premiere Card (later renamed Visa Gold) was marketed in 1982. The major competitors were American Express, along with Carte Blanche and Diners Club (then owned by Citibank).

According to Mandell (1990:82), Visa Gold and MasterCard made major inroads in the market with a lower annual fee (under \$40, slightly less than the \$45 charged by American Express green card and significantly less than the \$65 charged for the gold card). The American Express green card was the most widely held and used prestige card in 1988. It accounted for more than 40 percent of the U.S. market share in cards and 41.4 percent in volume followed by MasterCard Gold, Amex Gold, and Diners Club, Carte Blanche. By 1988, Visa Gold and MasterCard Gold accounted for more than 37 percent of the prestige card market, and more than thirteen million

cardholders. The Nilson Report, an industrial publication tracking trends and developments in the credit card industry, predicted that the market share would reach 54 percent by 1990 and 69 percent by 1995.⁵⁴ As Mandell (1990:87) aptly notes, the bank cards were accepted at 2.5 million merchant locations in the United States and at 5.9 million worldwide, as opposed to 1.4 million locations for American Express in the United States and 2.1 million worldwide.⁵⁵

In retaliation, American Express reinvented the standard bank credit card with the introduction of the Optima Card in 1987. The Optima Card was a revolving credit card. By mid-1988, American Express distributed 1.5 million Optima Cards and produced over \$1 billion in revolving balances. The advantages of the \$15 fee included acceptance at locations accepting the American Express card and a low variable interest rate.⁵⁶

Interestingly, the marketing and counter marketing strategies between the bank cards and the more prestigious travel and entertainment cards set the stage for introduction of the Discover Card and many competing third parties. The introduction of the Discover Card by Sears, Roebuck and Co. in 1986 significantly transformed the public image of the credit card. For the first time during the 1980s, a credit card was marketed as a 'consumer friendly' financial instrument. The credit card did not include an annual fee and offered a rebate

to users based on volume. Sears thought that the benefits were offsettable with a 19.8 percent interest rate.⁵⁷

Sears' introduction of the Discover Card triggered a redefinition of the credit card. Although the Discover Card was not originally profitable and still holds only 7.9 percent of the credit card market, consumers began demanding more in a credit card instrument.

The increasingly popular gold cards issued by banking firms eventually transformed all universal credit cards into postmodern marketing devices. The newly emerged gold credit cards took a page from Sears marketing strategy. The Gold MasterCard and the Visa Gold cards gave the consumer an extra 'bang for the buck.' The market was well saturated with credit cards by the mid-1980s. In an effort to compete with American Express, the bank gold cards offered the same consumer benefits. Buyer protection plans, wherein American Express replaced damaged products purchased on the American Express Card, "lemon" protection offering protection from irreparable merchandise, and extended warranty plans were now offered by the newly issued bank gold cards.⁵⁸

The quest for profits through rebates and gold card type benefits did not stop with the competition between the bankcard associations and American Express Company. The issuance of affinity cards, gold card benefits on regular bank credit cards and industrial based credit cards changed the

standard image of a credit card as a facilitator of enhanced purchasing power.

The credit card market reached a saturation point during the mid-1980s (Mandell, 1990:80). Most consumers already carried an average of three cards (bank and travel and entertainment). The number does not include department store cards or ATM cards. The competitive market for new customers necessitated new marketing strategies to persuade customers to change or add cards.⁵⁹

Affinity card programs (wherein organizations sponsored various MasterCard and Visa marketing programs) began appearing in 1985. The new affinity cards assumed an individual identity. In contrast with traditional credit cards featuring the name of the bank across the top, the new affinity cards featured the names of organizations. The organization received 2 percent of the annual fees, purchases or installment fees paid by the consumer.⁶⁰ By 1986, there were 296 affinity programs. According to Mandell (1990:80), affinity cards in circulation in 1988 numbered an estimated twenty-six million cardholders carrying 2,725 different cards with each bearing its own appearance (or image).⁶¹

Affinity cards were successful for two reasons (Mandell (1990:80). The personalized credit cards provided an incentive for consumer acceptance of a new card or to switch from a previous card. According to a Visa study in 1988, affinity card solicitations produced two to three times the

applications for cards as did solicitations for regular cards.⁶² Additionally, targeting groups with known financial attributes resulted in reduced credit risk and often increased credit card spending volume. Mandell (1990:80) mentions that Citibank's frequent-flyer program, in affiliation with American Airlines, has 200,000 cardholders whose average income is \$75,000. On average, these credit cardholders ostensibly use their cards fourteen times each month, whereas the average cardholder uses his or her card only eleven times per month. Additionally, a study cited in the November 11, 1988 issue of Advertising Age reported that 45 percent of consumers holding both affinity and traditional credit cards use the affinity card more often.⁶³ A Visa study also indicated that affinity cardholders spend more on their cards, and 44 percent said that the affinity card is the first Visa card that they have held.⁶⁴

Every special interest group jumped into the market (Mandell (1990:80)). The First Interstate Bank of California's Visa card for North American sheep supporters and the card promoted jointly by Breyer's Ice Cream and Marine Midland Bank. Mandell (1990:80) divides the affinity cards into three categories: product benefit cards, lifestyle cards and personality cards. The product benefit cards provided the card holder with a specific benefit, such as frequent-flier bonus miles for every dollar spent. Lifestyle cards are sponsored by particular groups, such as charitable causes.

Mandell mentions a card issued by Commercial Federal in Omaha benefitting local Catholic schools and one issued by Empire of America Federal Saving Bank benefitting AIDS research. Many cards distributed by charitable organizations benefit the organizations through donations from banks upon the success of the card programs. Personality cards focus on particular personalities such as the Elvis Presley card marketed by Leader Federal Bank for Saving in Memphis, or the New York Giants card issued by First Fidelity Bank in Newark, New Jersey.⁶⁵

Each credit card issuer now strived to create a product with a distinctive market image. There is nothing new in carving out a segment of the niche market for success in a competitive environment. The postmodern credit card was a product whose time had come. The issuance of the AT&T Universal Calling Card and industrial based credit cards hastened the process. Spurred on by the limited success of the Discover Card and the widespread public acceptance of numerous affinity cards, AT&T and several industrial corporations entered the competitive credit card industry. AT&T, not unlike MCI and U.S. Sprint issued their own calling cards. The advent of affinity cards led to introduction of a 1989 deal where Visa entered into an agreement with MCI Communications. The credit card enabled customers to make telephone calls and charge the calls on a general credit card.

But the newer AT&T Universal Card was basically a general

purpose credit card. Anyone charging more than \$10 per year could avoid paying an annual fee.

Post-Fordist and the more interesting postmodern reshaping of product image continued as a constant process. The concept of no annual fees and consumer rebates caught on in a saturated credit card field. The industry was clearly reconceptualizing the credit card as a viable product in a competitive industry. General Motors, followed by General Electric and Ford Motor Company, entered the credit card wars in 1992. The automobile industry needed a strong marketing product to stimulate the sale of new cars during a recessionary period. General Motors created an affinity MasterCard product that offered the consumer several advantages. First, the card was available to virtually anyone. Second, no fee was imposed for possession of the credit card. Lastly, five percent of the purchase volume up to \$10,000 in goods and services annually on each card was applied to a downpayment on a new or leased General Motors car. Thus, not only was the consumer using a MasterCard in a normal purchasing manner, but the economic image of accumulating a rebate applicable to a new car was equally enticing.⁶⁴

Materials accompanying issuance of the card define how the GM card rebate works. According to an advertising brochure, the GM Card rebate works as follows:

Every time you use your GM card to make a purchase or when you use GM Card Transfer Checks, your GM Card Rebate account will be automatically credited with 5 percent of that amount. For example: charge a \$1,000 airline ticket to your GM Card, and you'll get 5 percent of that amount--\$50--credited to your GM Card Rebate account. A \$200 charge at a department store would generate a \$10 credit to your account. Transferring a \$2,000 balance from another credit card to your GM Card would add another \$100 to your GM Card Rebate account. From General Motors alone, you can accumulate up to \$500 in the form of a GM Card Rebate each Cardholder year, up to a maximum of \$3,500 over a period of seven years. That's a discount you can use to buy or lease a new GM car or truck sooner than you thought possible. Or you can apply your rebate to your downpayment to lower your monthly payments. Or use your GM Card Rebate to step up to more car or truck than you thought you could afford.⁶⁵

GM also engaged in cooperative marketing with other travel related or entertainment concerns. According to accompanying material in the same mailing, using the GM MasterCard for charging telephone calls on the credit card, renting a car through Avis, staying at a Marriott Hotel, or purchasing magazines earns the same rebate package. The consumer earns a 5 percent rebate on every dollar spent on long distance service charges. The rebate is doubled to 10 percent if the charges are actually billed on the GM card.⁶⁶

General Electric Company and Ford Motor Company entered the affinity MasterCard fray shortly thereafter. The Ford Motor Company combined with Citibank in enacting the same program as General Motors. General Electric, an industrial company marketing appliances instead of automobiles, proposed the same no annual fee, rebate deal as General Motors. The difference was that General Electric's rebate was applied to

merchandise available in a catalogue. Additionally, the GE card carried a \$25 yearly fee but there was no cap on the rebate program. The GE card clearly presented the same corporate benefits as the GM card. General Electric promoted a consumer loyalty based upon an incentive for using their credit card instead of a regular bankcard.

An analyst can argue that these programs are not totally different from the marketing efforts previously initiated by MasterCard and Visa. Consumers always accumulated Citidollars (or similar units) applicable toward purchasing merchandise available in a catalogue. According to a representative from Chase Manhattan Bank, the long standing rebate programs offered merchandise as an incentive for using the card. The card was actually marketed as the product, not the eventual merchandise that the consumer could obtain through Cardholder loyalty.⁶⁷

The newer rebate programs, along with the credit cards permitting accumulated frequent flyer mileage for phone call volume on MCI or US Sprint sponsored MasterCard or Visa cards, are clearly significant. The consumer was rewarded for using a particular credit card. The merchandise was used as an enticement for continued credit card use. In effect, the credit card was reinvented for the purpose of encouraging competitive market volume and product identification in an already saturated industry.

Conclusions

The credit card field reflected the distinct shift toward post-Fordist differentiation with an emphasis upon marketing image. Various bank credit cards virtually reinvented their consumer images in an attempt to grab an important segment of a growing niche market. Credit cards were not the only product sold as a consumer friendly vehicle. Credit cards enabled or facilitated the consumer acquisition of goods, services and ultimately experiences.

Consumer credit, according to Foucault, Bellah, Madsen, Sullivan, Swidler, and Tipton, Harvey, Bourdieu and others discussed in this section, constituted a reward for believing in the social economic system. The acquisition of material status (or habitus) and economic success through individual striving and hard work encouraged the development of a cohesive economic system built upon everyday consumer values. Subsequent chapters examine how status formation, and the transition from post-Fordist to postmodern status identification, are operative in forces unleashed by the advertising industry, retail sector, and damage control when Foucault's image of socially exacted punishment is applied toward redefining bankruptcy as a social status.

Notes

1. Consumer credit is a form of status recognition. In effect, people are seen as an extension of the symbolic or real capital possessed through everyday acquisition (Bourdieu, 1984). Marcuse (1964) expressed the same concept while claiming that commodity accumulation was a reflection of developing close identification with durable goods. The overall commodity accumulation process acted as an affirmation of social achievement.

2. Influential social thinkers from both perspectives include the following authors: post-industrial: Bell, 1976, and Touraine, 1971; important literature on postmodern (or post-Fordism includes: Harvey, 1989, and Zukin, 1991. Several articles derived from the postmodern tradition include: Featherstone, 1990, and Zukin, 1990. In addition, the marketing perspective, as viewed from a postmodern framework, was incisively developed by Leiss, 1978. An extension of the various perspective developed by Leiss and other economic critics is offered elsewhere in this thesis.

3. Flexible specialization, or niche marketing, was considered in Piore and Sable's 1984 study of the implied changes following the post-industrial economic phase.

4. The real question is how this information is transferred into a commodity useful in planning and marketing. Touraine's (1971) discussion of a programmed society was especially meaningful within the parameters of a post structure economic system dependent upon careful marketing of the ATM (Automatic Teller Machine) and the cashless society.

5. Foucault, Discipline and Punish, P. 9.

6. Foucault, Discipline and Punish, P. 57.

7. Foucault (1984) admittedly states that the analysis of punishment draws upon Durkheim's discussion of collective conscious.

8. Foucault (Discipline and Punish, P. 90) concludes this section with a directed statement about social control and the explicit power of the state:

In such a case the preservation of the state is inconsistent with his own, and one or the other must perish; in putting the guilty to death we slay not so much the citizen as the enemy.' The right to punish has been shifted from the vengeance of the sovereign to the defence of society.

9. Foucault, Discipline and Punish, Pgs. 23-24.

10. See Reisman, 1957, for a seminal discussion of social adaptation.

11. Bellah, Madsen, Sullivan, Swidler and Tipton, 1985, p.VII.

12. Bellah, Madsen, Sullivan, Swidler, and Tipton (1985:324) define individualism in the following manner (underlining is added by myself for the purposes of emphasizing the second aspect of the definition):

Individualism: A word used in numerous, sometimes contradictory, senses. We use it mainly in two: (1) a belief in the inherent dignity and, indeed, sacredness of the human person. In this sense, individualism is part of all four of the American traditions we have described in this book-biblical, republican, utilitarian individualist, and expressive individualist; (2) a belief that the individual has a primary reality whereas society is a second-order, derived or artificial construct, a view we call ontological individualism. This view is shared by utilitarian and expressive individualists. It is opposed to the view that society is as real as individuals, a view we call social realism, which is common to the biblical and republican traditions.

13. Bellah, Madsen, Sullivan, Tipton, and Swidler, P. Vii.

14. Ibid.

15. Bellah, Madsen, Sullivan, Swidler, and Tipton, 1992, Pgs. 210-211.

16. Reich intuitively foretold the coming of a politically correct movement on college campuses. The discussion of moral character and a higher moral plane emerged as justification for denouncing divergent social values.

17. Reich, Greening of America, P. 4.

18. Cultural capital and symbolic capital are compatible terms denoting an idealized quantification (or value) of our everyday activities and basic information technology. For example, a tourist experience at Disney World or Las Vegas has personal value tapping into cultural expectations created by the symbols within the immediate environment (i.e., specific cartoon characters or symbolism within the Las Vegas strip

neon signs, architecture or structured casino gaming procedures).

19. Reich, 1976, P. 4.

20. Consumer credit marketing was too effective. The 'lifestyles of the rich and famous' during the 1980s were transformed into the 'lifestyles of the downwardly mobile and debtridden.' This theme attracted substantial media interest at in presentation co-organized by Lloyd Klein and Eva Bronstein-Greenwald at the 1985 annual meeting of the American Sociological Association, Washington, D.C..

21. Reich, Greening of America, P. 161.

22. Reich, Greening of America, P. 162.

23. See Zukin, 1990.

24. Bourdieu, 1984, offered the culmination of several studies on consumer culture and social status.

25. Bourdieu (1984) also presents a reconceptualization of grand theory through the integration of Marx's (1850) conception of bourgeois, petty bourgeois, and proletariat class categories and a linkage between Weber's (1946) influential concepts of class and status. In effect, we are again seeing "old wine in new bottles."

26. Veblen, 1899, developed this perspective. Subsequent social thinkers pursued this line of inquiry in subsequent analysis of invidious emulation. For example, see Bensman, 1976 (revised 1988) and Hirsch, 1975.

27. See Gartman, 1991.

28. Ibid, p. 439.

29. Ibid.

30. Mandell, 1990, elaborated on the implications of the credit card revolution:

Armed with billions of credit cards, shoppers, business people, and travelers of all economic and social backgrounds from around the world now charge everything from vacations and business trips to groceries and hair dryers. Whether we call them bank cards, gas cards, retail cards, travel and entertainment cards, or simply the more familiar "plastic," there is little doubt that the credit

card has revolutionized the marketplace. These thin, wallet-sized, plastic rectangles with their unobtrusively sophisticated magnetic stripes are the keys that unlock the electronic vaults of banks, automated teller machines (ATMS), and cash dispensers around the world. They have become an essential element of daily life. With a credit card, you can buy yourself a new car. Without it, you cannot even rent one.

31. Mandell, 1990, P. XII.

32. Ibid.

33. Mandell, Pgs. XIII-XIV.

34. See Ehrenreich, 1990, P. 247.

35. Ibid.

36. See Veblen, 1976 (1899).

37. See Hirsch, 1976.

38. See Potter, 1954, P. 175.

39. Harvey, P. 49.

40. Many sociologists would claim that this is a vestige stemming from the reification of consumer values.

41. Flexible specialization is a concept denoting the manufacture or provision of products and services intended for a diversified consumer population. See Piore and Sable (1984) for an extended discussion of changing economic capabilities and a consideration of expanding manufacturing capacity.

42. Mandell, P. 17.

43. Mandell, Ibid.

44. Mandell, Pgs. 24-25.

45. Mandell, P. 29.

45. I have personally seen one of the original paper credit cards. During a 1983 research interview at American Express regarding bank security and credit card fraud, I spoke with James Webb, a pioneer in the credit card industry since his employment at Franklin National Bank and then head of security at American Express. James Webb pulled out his "goodie box" and showed me some of the early credit card

instruments. It should be noted that the original Discover Card commercials featured a prototype embossed with the name 'James L. Webb.' This was clearly a tribute to an innovator in the credit card business.

46. Mandell, Ibid.

47. Mandell, P. 31.

48. Citibank did get around that problem through moving their operations from New York to South Dakota, where the maximum usury rate was 21%.

49. Cross-selling is still highly successful. Major banks bundle their credit cards with life insurance plans, travel clubs, dining and entertainment plans, dental plans, and legal services. American Express often sends out an overstuffed envelope containing numerous available merchandise. Amoco also actively markets merchandise available through mail order and billable on the Amoco Card.

50. Mandell, P. 73.

51. Ibid.

52. Ibid.

53. Ibid.

54. Ibid.

55. Mandell, P. 87.

56. Ibid, P. 83.

57. Mandell, P. 84.

58. Information obtained from American Express marketing brochures (1986-1992).

59. Ibid, P. 80.

60. The percentage of consumer purchases paid to the sponsoring organizations often ensures a constant flow of capital for continued operation. Affinity cards issued by the Automobile Association of America (AAA) and the American Sociological Association (ASA) are two examples of such affinity cards.

61. Ibid.

62. Ibid.

63. Ibid.

64. Mandell, pgs. 80-81.

65. Many sports teams sponsor affinity cards. The cardholder can earn points applicable toward gift merchandise and presumably benefit community organizations when the accumulated fees given the sports teams is donated to specific charities.

64. The economic image of "saving" for a new car while spending fits perfectly into the contradictory postmodern world where image predominates and economic logic is altered.

65. "Owner's Guide: Turning Buying Power into Horsepower, Plastic into Steel," GM brochure received in the mail during April 1993.

66. Advertising material received from the GM Card Program, April 1993.

67. Interview with a Chase Manhattan Bank representative, April 1983.

Chapter Three

Consumer Credit and the Experiential Realm

Introduction

The development of consumer credit is symptomatic of social economic changes occurring in post-industrial society. Post-industrial society is transformed through expanded demand for different goods and services. The resulting post-Fordist period, where evolving consumer demand is fulfilled, encourages manufacture and distribution of various consumer goods and invites expansion of the marketplace.

Sociologists or economists generally emphasize the mechanistic market manipulations and relationships between producer and consumer. However, the analysis offered in the discussion of leisure and tourism assumes that a social relationship exists between consumer culture and the consumption of tangible goods and intangible experiences. The credit card facilitates leisure and the acquisition of cultural capital through arranging expensive airline travel; car rental; the attainment of food, lodging, souvenirs, and specialized tours; and provides cash for unexpected emergencies. Further, the images and experiences offered in the travel experience encompass a staged authenticity transferring sightseeing into a cultural pursuit. Workers can

only achieve the cultural experience through utilizing the credit card throughout the vacation or leisure activity.

The everyday conception of consumer credit eventually extends credit card ownership beyond the everyday use as a financial device enabling the purchase of tangible consumer goods. Consumer credit promotes and facilitates the acquisition of recreation activities, tourism and the search for alternative social experiences. Credit cards form the gateway for accessing experiences previously unaffordable for the average consumer.

The normal sociological conception of consumer culture assumes that manufactured goods (or the products stemming from the concept of the production of consumption as advanced by Featherstone (1991:14) carry a specific exchange value justifying their pricing in the marketplace. Marx (1850) and members of the subsequent Neo-Marxist Frankfurt School (Horkheimer and Adorno, 1972; Marcuse, 1964; Lefebvre, 1971) reiterate the establishment of culture value inherent in the creation of markets for new commodities. According to Featherstone (1991:14):

If from the perspectives of classical economics the object of all production is consumption, with individuals maximizing their satisfactions through purchasing from an ever-expanding range of goods, then from the perspective of some twentieth-century neo-Marxists this development is regarded as producing greater opportunities for controlled and manipulated consumption. The expansion of capitalist production, especially after the boost received from scientific management and 'Fordism' around the turn of the century, it's held,

necessitated the construction of new markets and the 'education' of publics to become consumers through advertising and other media.¹

In effect, Featherstone (1991:14) reiterates the tendency toward product diversification, promotion of new consumer goods and services and consumption of the specific commodities (otherwise known as post-Fordism). The relationship between the creation and consumption of new products, leisure time and cultural value is rather interesting. As Schor (1991) observes in a recent book on the decline of leisure time, leisure was commoditized into a diversified product incorporating many different goods and services. Productivity increased while leisure was transformed into a scarce commodity. Schor refers to increased productivity:

Since 1948, productivity has failed to rise in only five years. The level of productivity of the U.S. worker has more than doubled. In other words, we could now produce our 1948 standard of living (measured in terms of marketed goods and services) in less than half the time it took in that year. We actually could have chosen the four-hour day. Or a working year of six months. Or, every worker in the United States could now be taking every other year off from work-with pay. Incredible as it may sound, this is just the simple arithmetic of productivity growth in operation.²

Schor (1991:2) continues her argument by noting that the narrowing of time for leisure time pursuits has a significant impact on the marketing of specific alternatives:

But between 1948 and the present we did not use any of the productivity dividend to reduce hours. In the first two decades after 1948, productivity grew rapidly, at about 3 percent a year. During that period, work time did not fall appreciably. Annual hours per labor force participant fell only slightly. And on a per-capita

(rather than a labor force) basis, they even rose a bit. Since then, productivity growth has been lower but still positive, averaging just over 1 percent a year. Yet hours have risen steadily for two decades. In 1990, the average American owns and consumes more than twice as much as he or she did in 1948, but also has less free time. How did this happen? Why has leisure been such a conspicuous casualty of prosperity? In part, the answer lies in the difference between the markets for consumer products and free time. Consider the former, the legendary American market. It is a veritable consumer's paradise, offering a dazzling array of products varying in style, design, quality, price, and country of origin. The consumer is treated to GM versus Toyota, Kenmore versus GE, Sony, or Magnavox, the Apple versus the IBM. We've got Calvin Klein, Anne Klein, Liz Claiborne, and Levi-Strauss; McDonald's, Burger King, and Colonel Sanders. Marketing experts and advertisers spend vast sums of money to make these choices appealing-even irresistible. And they have been successful. In cross-country comparisons, Americans have been found to spend more time shopping than anyone else. They also spend a higher fraction of the money they earn. And with the explosion of consumer debt, many are not spending what they haven't earned.³

Schor (1991:3) then points out that the American standard of living is the highest in the world.⁴ Schor also observes that increased work hours result when manufacturers seek even more productivity and workers need additional income for satisfying consumer debt and increased spending. Leisure (or the consumption of free time) is sharply curtailed-and therefore becomes a more valuable commodity. As Schor (1991:3) claims:

On the other hand, the "market" for free time hardly exists in America. With few exceptions, employers (the sellers) don't offer the chance to trade off income gains for a shorter work day or the occasional sabbatical. They just pass on income, in the form of annual pay raises or bonuses, or, if granting increased vacation or personal days, usually do so unilaterally. Employees rarely have the chance to exercise an actual choice about how they will spend their productivity dividend. The closest substitute for a market in

leisure' is the travel and other leisure industries that advertise products to occupy our free time. But this indirect effect has been weak, as consumers crowd expensive leisure spending into smaller periods of time.⁵

Schor (1991) staunchly believes that the decline in leisure time places greater premium on the limited time that American workers can enjoy. Workers utilize alternatives provided by the consumer culture in enjoying their limited leisure time. Consumption is commoditized in terms of its cultural value. Featherstone (1991:14) offers an interesting Marxist interpretation of the relationship between leisure and exchange value:

Leisure time pursuits, the arts and culture in general become filtered through the culture industry; reception becomes dictated by exchange value as the higher purposes and values of culture succumb to the logic of the production process and the market. Traditional forms of association in the family and private life as well as the promise of happiness and fulfillment, the 'yearning for a totally different other' which the best products of high culture strive for, are presented as yielding to an atomized, manipulated mass who participate in an ersatz mass-produced commodity culture targeted at the lowest common denominator.⁶

As Featherstone (1991:15) claims, the postmodern interpretation of leisure and culture emphasized the view that "emphasis shifts from production to reproduction, to the endless reduplication of signs, images and simulations through the media which effaces the distinction between the image and reality." Consumer society becomes cultural as social life becomes deregulated and social relationships become more variable.

The postmodern view of consumer credit and consumer culture views credit cards as variable symbols useful in extending cultural capital (or credit cards as quantifiable financial instruments). The credit card extends the acquisition of cultural experience by making the unaffordable "affordable." Few people will express surprise with the notion that credit cards act as symbols enabling us to consume other symbols or consumer and popular culture.

Experiences made accessible through consumer credit dictate a new realm of social reality. Consumer culture bridges the cultural bound elements of our sensual society with economic propriety. Each tourist or lifestyle device examined in this section embodies cultural experiences that are facilitated or made accessible through consumer credit. In some cases, experiences are marketed as tangible products. Some examples of cultural products intended for consumer consumption include the proliferation of economically profitable theme parks. Zukin's (1991) examination of Disneyland as a cultural manifestation planned for economic gain is one such example. One could also apply these ideas as a rationale for why Jim and Tammy Fay Bakker's Heritage USA was the second most attended theme park in the United States.⁷

Other examples include the development of telephone sex, psychic hot lines, fantasy suites, Las Vegas and the appeal of Disney World as the quintessential theme park. Such products are assessed through the utilization of consumer credit. All

of these para-social services comprise cultural capital as interpreted on an experiential level. The consumption of these tourist areas or emergent manifestations of cultural expression is marketed as a reflection of emergent cultural experience.

Telephone sex consists of an essential escape from everyday stress into sexual experiences cloaked with assured safe sex (Klein, 1983, 1984). Klein (1990) further expanded on the previously discussed cultural development with an examination of fantasy suites. These fantasy suites contain self-enclosed experiences reminiscent of mini-theme parks. Each suite contains environmental stimulation conducive for enhancing cultural cues. The new psychic hot line phenomena succeeds because communication between average persons and "experts" allows for an antidote to the uncertainty surrounding people in their everyday lives.

The economic facilitation of consumer credit promotes the accessibility of these niche marketed cultural alternatives.

The link between actual tourist sites and para-social services rests with a consumer desire for real or figurative escape within an ever changing social world. Both telephone sex and fantasy suites (and more recently the tele-psychic services) were successful because they fulfilled a perceived consumer need through a carefully planned marketing promotion. Las Vegas and Disney World, both popular tourist locations, met consumer desires through marketing promotion and emphasis

upon intangible consumer desires (e.g., the fulfillment of cultural fantasies or the immediate consumption of heavily marketed cultural images, such as the opportunity to attend world renowned stage spectacles or actually meet legendary Disney characters).

These artifacts, as derived from a postmodern society, are meaningless unless we reflect on the social historical process leading to current cultural expression. The original relationship between marketing and consumer purchasing decisions consisted of advertising goods for sale. Greatly expanded manufacturing capacity and consumer desires lead to more choices within the marketplace. The post-Fordist era ushered in an era of diversified products and choices available for consumer acquisition. The cultural desires prompting acquisition of the produced goods and services was facilitated through the introduction of installment credit and eventually the distribution of credit cards. Consumers can utilize credit cards in lieu of available cash. Theme parks, telephone services, fantasy suites, or even a meal at McDonald's is immediately affordable.

Instantaneous consumer choices fit right into the postmodern conception of American society. Contemporary society is a place noted for ever-changing cultural patterns. Advertised products are the result of pre-determined marketing efforts designed for pinpointing what consumers will purchase. One example of this is a device known as "The Club" that fits

on the automobile steering wheel and prevents auto theft. "The Club" was phenomenally successful upon introduction into the marketplace. The product was marketed through a heavy advertising campaign featuring a police officer delivering a strong message about "The Club's" deterrent power against automobile theft. Since then, there have been numerous imitations produced by competing companies. The original manufacturer countered with the marketing of the same product in various colors. The last step was successful in redefining the product according to appearance instead of original utility.⁸

Human experience works according to the same principal. The introduction of a telephone sex service, telephone psychic service, fantasy suite complex, or the original Disneyland brought forth cultural alternatives enabling the formation of redefined consumer cultural experiences. Consumer credit as an economic resource facilitates the immediate acquisition of knowledge, para-social experience, or a temporary escape from the realities of everyday life. The imagery associated with telephone conversation, environmental stimuli, and interactional cues from telephone services and actual surroundings in theme parks or malls encourages exposure to the product of human experience and encouraged consumption. The inevitable outcome of niche marketing is a myriad number of personal choices reflecting products gaining cultural acceptance at any given time.

"Tourism" and the Development of Consumer Culture

Acceptance of the postmodern condition wherein cultural choices and consumer purchasing choices shift over time characterizes the transitory nature of American society. Economic power in the form of credit cards and installment credit provides a means for consuming the latest products, trends or experiences. The formation of cultural capital results in consumable social alternatives immediately unaffordable without various credit instruments.

In a sense, we are all "strangers in a strange land" (a cliché derived from a popular science fiction novel written by Robert Heinlein, 1959). The cultural objects or environments that we consume give meaning to our lives. In effect, we are reminded of the philosophy espoused in the 1989 movie Field of Dreams. "You build it and they will come" is an appropriate corollary to the development of the tourist industry. Cultural events provide a context of references shared or sought by numerous people. Americans define their lives in terms of a special experience enjoyed while on vacation, a meaningful dinner with friends, mutual activities enjoyed in a unique place or shared interaction in the company of other people or through the auspices of a telephone.⁹

Veblen (1967) was correct in positing the assumption that the consumption of particular goods or things was conducive to building status formations. MacCannell (1989) takes the analysis one step further in referring to people as fellow

travelers seeking everything that life offers. MacCannell (1989) suggests that the "tourist" is "one of the best models available for modern-man-in-general."¹⁰ In effect, the tourist represents how an average person makes his or her way through everyday life. MacCannell (1989) imposes an anthropological view of social existence based upon structural analysis. Tourist attractions represent "an unplanned topology of structure that provides direct access to the modern consciousness or 'world view.'"¹¹ In other words, tourism serves to structure the creation of social meaning. MacCannell (1989) utilizes formulations of Goffman, Garfinkel, Veblen, Marx, Simmel and other social theorists in demonstrating how experience, rather than Veblen's reliance upon social class, dictates the social reality of everyday life.

Further, MacCannell (1989) compares tourist attractions with the "religious symbolism of primitive peoples."¹² He is basically viewing modernity as "disorganized fragments, alienating, wasteful, violent, superficial, unplanned, unstable and unauthentic." The worldwide shift in national governments incorporate nostalgia and a search for authenticity. MacCannell (1989) sees "the empirical and ideological expansion of modern society to be intimately linked in diverse ways to modern mass leisure, especially to international tourism and sightseeing."¹³

MacCannell (1989) places particular significance in Goffman's model of everyday activity. MacCannell repeatedly refers to Goffman's (1959) conception of front stage and back stage as the basis of understanding everyday social reality. MacCannell is interested in the structure of social space. Tourist activities are centered around relating with "the natives" in a quest for "authentic experiences, perceptions and insights."¹⁴ The tourist is trapped within an endless process wherein the truth about native populations is illusive. Economic instruments (in the form of consumer credit) aid and abet in the perpetual search for social meaning through the acquisition of actual or para-social experience in the form of cultural capital.

Economic formation and the implicit shifts emphasizing the consumption and experience as a tangible product incorporates the development of consumer culture. Tourism, as facilitated by available consumer credit, enables the consumption of hitherto unaffordable experiences. The consumer culture transforms places or experiences into symbols for intrinsic cultural capital. Peer value or self fulfillment is associated with accessing an interpersonal phone line service, staying in a fantasy suite, or visiting places like Las Vegas or Disney World.

Telephone Sex as a Cultural Manifestation

The foregoing discussion of consumed human experience extends into many cultural forms. Specific discussion of telephone sex, fantasy suites, psychic hotlines, Las Vegas and Disney World elaborates on the shift from post-Fordist economic developments into the pre-marketing of cultural experiences.

Telephone sex is a perfect example of postmodern experience dependent upon cultural acceptance and technological advances. The economic system enables the collection of revenue through sophisticated telephone computer software or credit card billing techniques.

The telephone sex phenomenon began in 1983. An average of 500,000 people per day dialed popular New York City numbers. These telephone callers did not learn the time, weather, horoscope, daily prayer or any jokes. The material consisted of women (and sometimes men) engaged in an explicitly sexual situation. The taped messages escalated from the description of sexual activity to an ultimate sexual "climax." This is selectively termed "Dial a Porn", "living centerfolds," or simulated telephone sex-depending upon description by the press, general public, or entrepreneurs providing the service. Later telephone sex services concentrated upon live women reciting scripted routines in return for agreed upon fees.

The first part of the our discussion deals with the sociological disposition of the original taped telephone sex

service as a postmodern development. The service, as originally initiated by High Society Magazine, is considerably different from the live "Dial a Fantasy": services spontaneously offered by women upon ascertainment of credit card payment arrangements. Both phenomena share many of the same sociological implications. A later discussion of live telephone sex services will embody the nature of social experience as a consumable form of symbolic capital.

The general analysis of "telephone sex" vehicles incorporates a basic overview of American society. Many people desperately "reach out" for taboo or socially restricted experiences. This is where experiential sexual sensation fits into a postmodern context. Some individuals may claim that symbolic sexual discourse is a form of escape without the physical confines of a Disneyland or Disney World. The telephone, as a form of 'safe sex' is the vehicle rather than a situation suggested by physical props. The converse situation, wherein social construction of human experience is achieved through surrounding architectural design as an enabling device, is dealt with at a later point in the analysis.

The reader must understand reasons for the formation of these industrial initiatives, some provided examples demonstrating the effectiveness of telephone sex as symbolic experience, and how technological development embodies the institutionalization of postmodern experience. The repression

of sexuality as stressed by Freud (1914) leads people toward fulfillment of these forbidden yearnings. These questionable telephone services, as provided by innovators offering a scarce commodity in return for profit, satisfy the needs of some people (Bell, 1953; Merton, 1968). We need only refer to prostitution as transacted in many midtown or business districts within cities around the country (Winick and Kinsie, 1971).

One could say that society triggers the seeds of its own moral downfall. Everyday social interaction holds the challenge of enticing but unobtainable illusions (Lefebvre, 1971; Marcuse, 1964). Human sexual urges are subsumed within the family and other institutionally constraining arrangement. Social behavior is also systematically shaped through education, advertising and other social influences (Goffman, 1981).

The postmodern view of society tends to view sexual expression as a reflection of changing social mores. The recent widespread proliferation of upscale strip clubs and the celebratization of well endowed woman is a recent manifestation of entertainment reflecting an open view of para-social sexual experience. Blatant sexuality was formerly reserved for pornographic movies or specific magazines featuring nudity or sexual acts.

The new attitudes and frequent consumption of sexual expression are popularized by increased niche marketing within

the sex industry. Sex is now a more acceptable product which can be sold as a consumable experience and billed on a credit card. In the past, television and radio content offered sanitized versions of graphic sex sequences and specifically forbidden scatological language. David Letterman succinctly projected this puritan influence in the now famous phrase "It feels so good, it must be illegal." Our moral values are justified through invoking "the old fashioned (or traditional) way." We are in the Twentieth century, but many of the societal attitudes toward sex are rooted in the late 1800s or the early part of the current century.

Men and women seek relief from the societal restraints influencing our visible everyday presentation of self (Goffman, 1959). Suggestiveness is intensified with nervous laughter and blushing in public upon overhearing obscene stories. Intensity of commitment toward our personalized gender identity is expressed through suggestion of fantasy rather than physical actions. Perhaps, Olivia Newton-John expressed it best in her now-famous phrase "Let's get physical-let me hear your body talk."

In fact, numerous critics have contended that we are living in an age of narcissism (Lasch, 1978). Charles Reich (1974) would claim that we are the "me generation" grown into a social value system stressing a more personal and conventional gratification. Suggestive sexual telephone messages play upon this social phenomenon. One can almost

paraphrase Timothy Leary's much quoted pro-LSD statement as "Dial up-listen in-get turned on."

Several factors set the stage for the emergence of telephone sex. Ambiguous moral standards and innovative developments are two of these factors. Both factors are the offshoot of a postmodern era wherein sex is transformed from a social taboo into an everyday cultural product. In fact, new communications techniques play an important part in this transformation. Everyday social functions are increasingly absorbed in an encompassing communications revolution. One need only examine 'Dial a Date' and 'CB Radio Prostitution' as examples of the last point. Both phenomenon are overshadowed by massive acceptance of the talk radio format (Avery and Ellis, 1979; Bronstein, 1983). We can interact with one another either through directly broadcast conversation with strangers or the vicarious experience of "eavesdropping" via our own radio.¹⁵

A brief discussion of 'Dial a Date' and 'CB Radio prostitution' will amplify this last point. 'Dial a Date' was initiated as an attempt to facilitate communication among individuals. The Village Voice and other newspapers or magazines across the country advertise recorded dating services. Single men and women can call specific telephone numbers and hear either men, women, homosexual or ethnic groups describing themselves. Each person is identified by a number. Callers can communicate with a selected person or

persons by sending several dollars for the privilege of having their letters forwarded. Both the 'advertisers' and date-seekers pay a fee for the service. The attraction of this mechanized dating service is the safe introduction between two individuals.¹⁶

The process is taken one step further by the introduction of "Citizen Band Radio Prostitution" (Klein and Luxenburg, 1984). Researchers are provided a unique opportunity for analyzing interaction. Either truckers or prostitutes can initiate the social selection process through carefully measured talk. Truckers and prostitutes establish enough rapport through brief conversation to warrant a personal meeting and discussion of specific prices. Sexual activity follows these carefully constructed social efforts. The conversation has no restrictions other than the desires of both parties. There is no 'gatekeeper' (such as a radio talk show host or formal call screener) to censure the conversation. Everything said by both parties is taken with a grain of salt as 'regulars' monitoring the channel know what to expect within the approximate predictability.¹⁷

Both 'Dial a Date' and 'CB Radio Prostitution' are predicated upon a system of ambiguous social morals and the potential innovation presented by this new opportunity structure. The change in sexual values from conservative in nature during the 1950s, liberal in the 1960s and the early 1970s and mixture of both in the 1970s up through the present

have produced major ideological changes (Time, 1984). The "baby boom" generation has matured into a population cohort typically averaging from the mid to upper 30s. Various changes in female lifestyle (from work place participation to having babies later in life) have equalized or given women more power over their personal lives. The life status change is reflected in a freer exchange of views between dating and marital partners. Sex is much more open for this generation than those sexually mature adults in the 1950s. The roles of men and women are not as well delineated as in the past.

Innovation and this new social opportunity are key factors in this realistic transformation. Gradual development of social inventions and their subsequent effect upon the social structure have produced a profound effect upon American society (Aronson, 1979). The telephone, talk radio formats and CB radios are three communications inventions producing major changes in the daily interaction between individuals and society. Merton (1968) is indirectly indicating that illegitimate opportunities often arise out of transitory social or technological factors. Thus, telephone, radio and citizens band radio communication is potentially cooptable for expression of sexual ideas between two or more adults.

We can subsequently translate these notions into a consideration of the issues underlying telephone sex. Ironically, the legal system acted in legitimizing telephone sex as an acceptable option in the niche marketing of sexual

experience. A long standing anti-trust case against AT&T was settled with a court ordered divestiture. Harold Green, a U.S. Federal judge, directed a two year, \$80 Billion dollar of 22 regional companies from the parent conglomerate (Time, 1983; New York Times, January 9, 1982). Telephone service, long distance calls, local service and equipment manufacture were subdivided into independent entities. As a result, many public telephone numbers were decontrolled and leased to private businesses through a systematic lottery.¹⁸

Companies competed for these telephone numbers. In January 1983, High Society magazine was awarded one of these outlets. New York Telephone was obliged to supply the phone line service. High Society magazine and other winning businesses used the windfall for public relations purposes. For example, several businesses sponsored horse racing results or beauty tips. The proceeds were subject to sharing between the telephone company and the private businesses. Where the telephone company previously used the more than \$4 million profit for offsetting local phone rates, the revenue was redistributed with 7 cents per call retained by New York Telephone and 2 cents per call going to the private business (Morality in Media, Inc., 1984; Philadelphia Inquirer, 1983).

There is a dimension of pornography pertaining to the Dial a porn phenomenon. The High Society 'living centerfold' service incorporates some of the features associated with pornography. Dial a porn is an "aural" extension of the

'pornographic marketplace.' We have a disembodied voice instead of peep shows or rap booths. The totality is equivalent to an aural rap booth without a woman's physical presence.¹⁹ Lilly and Ball (1981) describe how regular motel customers are aware of available pornographic movies. Similarly, Dial a Porn phone callers expect suggestive scenarios. The fantasy element is not dissimilar to Dudley Moore's lust for forbidden dreams in the film 10.

The fantasy element is clearly present in Dial a Porn telephone monologues. Callers are presented with simulated sexual activities suggesting masturbation, cunnilingus, fellatio, anilingus or excretory functions.²⁰ All four segments featured in the endnotes include females acting as 'seductresses.' The female initiates the sexual situation and 'turns on' a fictional partner (anyone listening to the recording). An initial sexual situation is proposed, followed by suggestive sexual activity and the female's sexual climax. The male's ego and sex potency is stressed. Conclusion of the 57 second monologue features an invitation to call back at another time. Most messages end with an advertisement for live sex calls (arranged through credit card payment).

Calling for Psychic Advice

The advent of billing through the assignment of '900 numbers' facilitated the provision of various consumer experiences. An interested person can obtain sports scores,

horoscopes, medical advice and many other conceivable forms of information.

One recent service is the provision of psychic advice administered over the phone. The Psychic Friends network was the first such service. As promoted by an infomercial (a half hour length television commercial masquerading as a regular television program), Dionne Warwick introduced celebrities and other people served by psychic advisors. The psychic advice generally costs from \$3-5 per minute. More than a half dozen other such services followed in the wake of the Psychic Friends Service Network.²¹

Psychic telephone services fulfill a particular need. People are always facing uncertainty in life. The telephone psychics ostensibly offer solace and guidance in coping with everyday situations. Individuals are utilizing credit cards or automatic telephone billing credit in accessing experience. According to Maury Povich and other talk programs, some individuals accumulate thousands of dollars in charges to psychic advice phone lines.²² Credit cards or automatic billing (a form of revolving credit) facilitates the everyday use of the psychic services. The consequence of established psychic telephone services is an accumulation of consumer debt. The end-product is another service transformed into a habitual need.

Telephone psychics comprise a form of cultural capital supported by economic institutions. The advent of modern

technology permits an individualized dispersal of information. Prior to instituting telephone service, psychics were primarily available through private contact.

Psychic services are a form of communication within a continually shifting social framework. The para-social elements, buttressed by the use of credit for eventual payment, comprise a form of societal entertainment. An information exchange through electronic means signals the emergence of "tourists" seeking out a "path in life." Tourists want to believe the reality of psychic advice as much as they subscribe to the sexual imagery provided by telephone sex services.

In the long run, psychic telephone services comprise another form of fantasy experience available to travelers seeking reaffirmation of a prevailing social order. Niche marketing permits the public dissemination of information on our personal lives. Information is offered as a commodity available for public consumption. In turn, the purchased information is instrumental in the continued construction of social identity.

Fantasy Suites: Rooms with a View

Telephone fantasy experiences and telepsychics are various dimensions of cultural expression enabled through technological means and provided through a niche marketing system. Fantasy suites are another form of marketed human

experience. The desire for spending leisure time in unusual and previously unaffordable places is facilitated through the use of credit cards. People will try new experiences without the fear of immediate consumer debt.

The considerable cost of fantasy suites, along with the other experiences described in this chapter, is efficiently handled without the use of cash payments. In fact, most hotels will insist upon credit cards rather than immediate cash. The Fantasuite location in the midwest and a steep \$100 per night necessitates credit card use. Salaries in the Midwest are lower than the national average. The Fantasuite accommodation rate is more typical of the east or west coast than the midwest.

Hotel accommodations are basically reminiscent of the Fordist era. Americans quickly discover one disconcerting fact through their cumulative millions of miles spent on the road: all hotel rooms seem alike. Hotel chains owned and managed by Howard Johnson, Hilton, Sheraton, Holiday Inn and countless other nationwide corporations are basically intended for the casual or business traveler. Each hotel room contains the obligatory bed, dresser, Gideon Bible, television set and writing desk. The decor is usually middle American, featuring hotel room walls adorned with portraits of Americana.

More people are on the road seeking new places and unique adventures. Many locales create attractions targeted at attaining the attention of an ever curious American public.

Some hotels (such as the Waldorf-Astoria, Fairmount, or Fontainebleu) offered unique experiences through special decor and a marketed image. More people are on the road seeking new places and unique adventures. Many locales create attractions targeted at attaining the attraction of an ever curious American public.

Hotel rooms have an alternative connotation in the cultural history of American society. Transitory travel is vested with cultural capital. Some people associate hotels with the ability to accomplish certain sexual activities not available in their own home. Lilly and Ball (1983) co-authored a now-classic article explaining the function of deviance in the hotel setting. The so-called 'no-tell motel,' accommodating illicit lovers or businessmen consorting with prostitutes, has become legendary. These notorious motels charge by the hour and permit the interchange of cash payment and sexual services.

Entrepreneurs seize upon the desire to fulfill sexual fantasies, whether in the setting of a downtown hotel, obscure motel, trucking vehicle, or another mutually agreeable locale.

Klein and Luxenburg (1981, 1982) explored the public nature of interpersonal transactions as negotiated by prostitutes and truckers over citizen band airwaves, and performed in trucks situated on interstate highways, truck stops, or motels off main thoroughfares. Their research revealed that forms of sexuality (and sensuality in the case of conveying meaning

through encoded citizens band radio communication) are refocused in the context of accommodating a mobile american society.

A post-Fordist atmosphere offering nontraditional experience pervades specific hotel settings in a much more subtle way. In 1985, a hotel chain, headquartered in Minneapolis, Minnesota, acquired a former Holiday Inn located in West Bend, Wisconsin. The management team experimented with a concept they termed 'fantasy suites.' The fantasy suites were hotel rooms designed around specific themes. The first suites, predecessors of the 24 rooms existent at the time of this research, included Infinity, Captain's Quarters, Eastern Winds, Cupid's Corner, Space Odyssey and LeCave. These suites, which will be described in more detail, are designed around specific concepts appealing toward particular individuals or couples.

Analysis of this phenomenon is undertaken on two levels. The first level is an analysis of American culture and how we define our lives through imagined roles or images. Niche marketing is effective in researching, operationalizing and transforming experience into cultural capital. Sensual meaning is translated into commercial appeal as depicted within literature, films, television, magazines and deliberately targeted advertising efforts. An advertised product finds its eventual audience through a rationally calculated media display.

The second level will take us through an analysis of questionnaire responses completed by a random sampling at West Bend Fantasuite Hotel in West Bend, Wisconsin. An undergraduate research assistant and myself arranged for the distribution of in-room surveys asking guests about their socio-economic status, perceptions of the various Fantasuites, and reasons for choosing a specialty room rather than the standard suite. The hotel management placed 230 questionnaires within the fourteen FantaSuites in a two week period during late May-early June 1989. Sixty two completed questionnaires were collected by the hotel staff (comprising a response rate approximately reaching 25%). Upon inspection, 60 of these survey responses were complete enough for further analysis. The aggregate responses detailed below indicate how the introduction of an attractively marketed experiential product gains acceptance in spite of predisposed attitudes toward sexual content.

Sensuality and Cultural Conditioning

It is possible that more average persons are accepting sensuality as a facet of everyday life.²³ The Puritan influence, as originated in the fifteenth century, stressed aesthetic values rather than temptation. Hard work and devotion to work were components of the preferred lifestyle. These values were transformed into a systematic ethos subsequentially proclaimed as the Protestant Ethic (Weber,

1958). The Protestant Ethic, as discussed by Weber, deemphasized materialistic values in favor of elective affinity (or human action for the purpose of achieving success in the next life).

How do we deal with the emphasis upon sensuality throughout the twentieth century? The Protestant Ethic was endorsed in name only, as opposed to practicing its other worldly ideal. Several factors account for the selling of sensuality as an everyday commodity: the rise of capitalism, evolution of mass communication and the industrialization of American society. The rise of capitalism was a major force in the alteration of sexual behavior. Sexuality, or the notion that alternate means of recreation and self expression were legitimate, become marketed as an acceptable release. Conformity was achieved at the expense of constant economic and social pressure. The movers and shakers of the industrial sector realized that workers needed a diversion from everyday pressures.

Thus, sexuality became condoned as a behavioral solution for the ongoing discontent. Bell (1976) argued that capitalism could not function as a mechanistic process when cultural value structures undermined and altered individual responses. Cultural contradictions within capitalism weakened the underpinning established by the tenets of the protestant ethic. Thus, the ideal of hard work and economic sacrifice competed with physical and emotional release during leisure

periods. One use of discretionary funds expended in this manner was directed toward curiosity regarding officially forbidden sexual expression. Many people seek out sexual release, whether in the vicarious form of films and literature or as part of an individualized lifestyle. Illicit sexual affairs, children conceived in illegitimate relationships, and the recognition of sexuality as an emotional outlet can be seen as expressions of this desire.

Not coincidentally, entrepreneurs came along and offered a form of cultural capital that the public wanted but could not obtain from established businessmen. Industrial advances and technological change (e.g., videocassette recorders, cable television, computers, photo and video duplicating processes) facilitated the marketing of such sexually oriented products.

The primary interest of employers and government (or ruling class interests within the Marxian means of production) was directed toward keeping the masses satisfied. Leisure time was maximized through utilization of discretionary income for pleasurable pursuits (Ewen, 1976).²⁴

Sensuality was safely manufactured through media and entrepreneurial devices directed toward profit producing activities. Consumers chose the vehicles where they could express the sexual desires in a safe atmosphere. The sexual connotation of these outlets (whether self improvement products or locations facilitating a safe ventilation of life's frustrations) was quickly accepted whether vicariously

through television or experimentally in specific settings designed for that purpose.

Capitalist efforts toward accumulating more wealth or influence can take on a 'hit or miss' quality. One theoretical explanation offers the assertion that exposing oneself to cultural expression is a voluntary act. A surprising confirmation of the postmodern perspective comes from Michael Schudson (1985), who challenges the assertion of overall manipulation in asserting that capitalism works as an economic and social phenomenon. The individual is probably as responsible as the media in creating this effect. The successful marketing of particular products encourages reinforcement of the already expressed public attitudes in previous promotions or advertising campaigns. Sensuality, as utilized in advertising, is useful in the incorporation of pleasure into the marketing of ordinary products.

Any heightened effect of capitalism as an economic and social system or a cultural phenomena is further strengthened by mass media effects. Several points are vital in the development of an understanding of factors supporting the FantaSuite concept. First, mass media act as a force diffusing expression of acceptable lifestyle trends among the masses. The so-called 'hypodermic effect' in which people experience social stimuli and incorporate the positive effect into their lifestyles, is vital in this analysis. Basic human drives or urges are satisfied through the suggestiveness of

media cues that may be directed at our ego or superego (Blumler and Katz, 1971).

These cues can range from the merits of hard work and discipline to wanton pleasure through devices facilitating sexual expression. This is where the contradictions posed in Bell's 1976 analysis become operative. The work ethic conflicts with the need for stimulating the economy through the development of consumer credit. The co-mingling of these two polar ranges creates confusion and the crisis created by an emphasis on consumerism to the detriment of capitalist production. In the case of an analysis sufficient for explaining the FantaSuite phenomena, it would suffice to indicate that sensuality is accompanied with marketed sexual content as a direct (or indirect) product. Advertising, television content, popular magazines, films and other forms of popular culture are more attractive than hard work and discipline. The balance is shifted and priorities can become slanted toward sexuality as a constant in every aspect of our lives.

A central point presented in succeeding pages emphasizes that sensuality, as used in a marketing ploy for creating acceptance of new products, becomes a commodity overshadowing the products themselves. Experience, rather than the deterministic nature of some economic or political institutions, dictates cultural development. The traditional Frankfurt School view argued otherwise. Marcuse (1964) and

Lefebvre (1971) argued that we are transformed into an expression of the values intuited by commodities and their subjective place in our lives. Consumers of this culture become the sum total of their experiences and the typification discussed by Schutz and created by the overall social system (Natanson, 1970). In simpler terms, the old phrase 'you are what you eat' summarizes the impact of this socialization pattern upon our lives. In effect, they attempt to have it both ways.

The process does not end with the evolution of mass communications that accompanies the rise of capitalism. Industrialism in American society is partially explainable through an understanding of the processes initiated by capitalism. First, advances in industrial production of leisure time pursuits are enabled through social invention. Social inventions are devices which aid commercial development and have a social effect upon our lives. In general, social inventions are innovations facilitating the opening of the marketplace and new options aimed at consumer interest. For example, Aronson (1979) argued that the telephone had such an effect. The business applications are obvious and the dial-a-porn phenomenon is one example of the uses and gratification approach operating on a social level. The credit card, and consumer credit, represent a system wherein the same effect is achieved through instant rather than deferred gratification.

The automobile is an important example of how social inventions have shaped everyday lifestyles. Henry Ford, in addition to providing more employment through imposition of the assembly line, recognized the social extension of the automobile. Ford could relate the invention to his own workers with the aid of built-in incentives such as increased wages, shorter work hours and installment purchase plans. In effect, Ford was creating a market through enhanced leisure time and affordable.²⁵

The automobile was also vital in the consumer credit revolution and in explaining why the Fantasy Suite concept is successful. People gradually gained the wherewithal for expanding their travel plans within a larger area. The automobile and subsequent highway construction acted as a passport to areas beyond immediate residential communities. Spending power earned through accumulation of discretionary income was applicable toward leisure time pursuits.

A major industry consisting of shopping malls, rest areas and hotel/motel complexes capitalized upon the millions of motorists enroute toward new residences or embarking on vacation travels. A new duality emerges with the growth of automobile use and the residual transportation amenities. These two factors are 1) the creation of a new subculture and 2) the social effect of the new subculture. First, America's love affair with the automobile spurred increase of the hotel/motel business just as the

existence of these immediate 'homes away from home' made automobile use more convenient.

These aspects, along with the expansion of interstate highways, made interstate travel a more desirable alternative. The hotel/motel complexes and other highway attractions had a social effect upon people utilizing those choices. On one level, attractions such as the West Bend FantaSuite hotel (located in West Bend, Wisconsin) offer a cathartic antidote in counteracting everyday stresses and pressures. On another level, these Fantasy Suites ostensibly offer lifestyle alternative not available in another hometown or location. These lifestyle choices are expressed in changing the immediate atmosphere experienced by hotel guests.

General Background of the Fantasuite Concept

The Fantasy Suite concept was originated in 1985. At that time, the hotel management group decided to experiment with offering rooms which had alternative themes and decor. Most of the rooms offered either a jacuzzi or a waterbed as the centerpoint of the suite. The rest of the story has become history. The suites were subsequently installed at five other hotels throughout Wisconsin, Indiana, Iowa and Minnesota. The hotel chain renamed each of these places in 1988 as FantaSuite hotels (New York Times, October 13, 1988).

All 24 suites are generally reserved three months in advance for weekend stays and approximately two months in

advance for weekday occupancy. Construction of each suite can cost up to \$100,000 and the room rates are over \$100 per night for most suites. Free tours are offered each Saturday and Sunday at 2:15 p.m.. The rooms are opened for general inspection of the public and the tour usually attracts between 50-100 people.

The first suites were originally installed on a trial basis at the West Bend Fantasuite Hotel. The specific themes for the first six suites were Space Odyssey, LeCave, Infinity, Captain's Quarters, Eastern Winds and Cupid's Corner.²⁶

The most popular suites are Space Odyssey, Northern Lights, The continental, Igloo II and Caesar's Court. Space Odyssey was a space capsule surrounded by a moonscape. Northern Lights consists of an igloo, hot tub bordered by mirrors and a 10 sided waterbed. The Continental is furnished with an authentic 1964 Lincoln Continental, wet bar, wide screen TV, and jacuzzi with mirrors. Igloo II is a duplicate of Northern Lights. Lastly, Caesar's Court is a reproduction of Caesar's Villa. A hand painted mural provides atmosphere along with a king size, step-up bed, fountain and sensuous Roman bath.²⁷

The most popular Fantasuites are those furnished with jacuzzi and waterbed features. Nightly room rates on those suites usually near or exceed \$100 per night on weekdays and exceed \$100 on weekends. Check-in is at 4 p.m. and check-out is 12 noon the next day. According to information gathered

from personnel at the hotel, people enter the room and pre-order room service for dinner and the next morning's breakfast. The jacuzzi goes on first and other activities are subject to the choice and discretion of the hotel guests.

Guest Attitudes Regarding the Fantasuite Experience

Background information volunteered by the Marketing Director for the West Bend Fantasuite hotel provided an introduction into the Fantasy Suite Phenomenon.²⁸ A questionnaire soliciting information on several categories was devised as a result of information obtained in that interview. These factors included: socio-economic status factors (age, gender, education, occupation, income, race, marital status, and religion); b) relationship of people staying in the Fantasy Suite rooms; c) where people were traveling from; d) why they chose a Fantasy Suite rather than a regular hotel room; e) the suite chosen, whether it was their first choice and why they chose it; f) any other FantaSuites utilized in the past; g) what they liked and disliked about their experience; h) where they heard about the FantaSuite concept; and i) any suggestions for other FantaSuites.

The first section of the questionnaire focused on socio-economic variables. The socio-economic variables describe an interesting and diverse sampling population. Overall, the age of males occupying a fantasy suite ranged from 21-53, with both median and mean approximately 32. Female ages ranged

from 20-38, median was 26 and the mean was 27. Forty males responded on the survey form. Thirty two were married and eight were single. Twenty seven females gave their views on the fantasy Suites. Twenty four females were married and three were "single". The reader must realize that some couples recorded dual responses on their survey forms. We recorded those responses as coupled except for the specification of age, gender, education, occupation, income, marital status and religion.

The age and gender distinctions indicate that most couples were married. This finding confirms the observation that most people taking the Fantasy Suite tour were married and at least in their mid-twenties. We noticed two interesting cases involving age and marital status within the various survey responses. In one instance, a 20 year old, single female shared a fantasy Suite with her boyfriend. This is interesting because Fantasy Suite guests must be 21 unless married. But exceptions are not uncommon since a female college student admitted that she had shared a fantasuite with her boyfriend on two occasions. In a second instance, two men shared the Space Odyssey fantasy Suite. One of them, a 31 year old male complained that they were given a cool reception at the hotel desk. Both men traveled from a nearby urban area and the respondent claimed that he followed the pagan religion.

An interesting pattern emerged when examining the educational background of the Fantasy Suite patrons. We were able to ascertain the educational backgrounds of 38 males and 24 females. The male respondents' educational background consisted of the following categories: High School Dropout, 1; High School Graduate, 13; Some College, 14; College Graduate, 5; Graduate Education, 5. Female respondents reported the following educational levels: High School Dropout, 0; High School Graduate, 6; Some College, 11; College Graduate, 7; Graduate Education, 0.²⁹

The men and women in this survey held occupations confirming traditional gender stereotypes and income levels. Income levels ranged from \$6,000-\$100,000 for males (we made adjustments for this extreme income level) and female salaries ranged from \$1,000-\$55,000 (we could discard the lower range salary and still notice lower yearly earnings). An averaging of reported salaries yielded a mean of \$30,017.54. But we minimized the one extreme male income, reported by an operations supervisor. The corrected average indicated an income approximating \$25,000. Salaries were generally higher for urban dwellers than local town inhabitants. Urban residents were generally more educated and working in professional positions. Small town inhabitants worked in factory settings and earned approximately \$30,000 on the highest level.

As indicated in our discussion of marital status, most rooms were occupied by married couples. There were eight single men and three single women accounted for in our survey. Ages for those couples, with the exception of two men sharing a suite, consisted of the following: male, 31 (female age unspecified); male, 27 (female age unspecified); male, 23 (age of fiancé unspecified); female, 20 (age of boyfriend unspecified); male, 30 divorced (girlfriend's age unspecified) and male, 25 (fiancé's age 30).³⁰

Religious background reflected residential population demographic patterns. Lutheran and Catholic were the most prevalent religious backgrounds. Twenty nine FantaSuite patrons were Lutheran-17 males and 12 females. There were 21 Catholics-16 males and 6 females. Both Methodists were male. The remaining religious affiliations consisted of the following groups: Nondenominational, 2 (one male, one female); Baptist, 1 (male); Scientologist, 1 (female) and Presbyterian 1 (male).

The survey also included a question on why these people chose a Fantasy Suite instead of a traditional room. The perceivable reasons, ranked in order of mention on the questionnaires, appeared as follows: "different", 22; anniversary, 16; honeymoon, 6; romanticism, 6; gift, 3; birthday, 3; fun, 3; and adventure, 1. One person, a 37 year old female, wrote, "I think we need and deserve to do something special for ourselves at least once a year, this is it."

Another female, 27, wrote, "We wanted something different." A female, 20, wrote that the Fantasy Suite was, "different, exciting, sexually stimulating." A couple, male, 25, and female, 24, wrote that the suites enabled them to "get away and relax." Other people mentioned such factors as intimacy, novelty and a different atmosphere.

We summarized the suites people chose, which suites were their actual first choices, and how many patrons received their choices through availability or preferences. Twenty five people indicated that the suite they occupied was their first choice or best available preference. Space Odyssey was the most popular first choice (ten people). Other first choices, ranked in order of preference, were Pearl Under the Sea (7); Northern Lights (5); Caesar's Court (3); LeCave (2); Klondike, Captain's Quarters, Cupid's Corner, Teepee, Infinity, The Continental, Jungle Safari, Igloo II, Treehouse (1).

Actual choices, as differentiated from suites that people generally settled for, were recorded as follows: Gambler, 6; LeCave, 5; Happy Days Cafe, Cupid's Corner, Teepee, Caesar's Court, 4; Klondike, Captain's Quarters, The Continental, Igloo II, 3; Dungeon, Pearl Under the Sea, Northern Lights, Jungle Safari, Wild West, 2; Space Odyssey, Viking, Tiajuana Jail, Infinity, Arabian Nights, Covered Wagon, Eastern Winds, Pharaoh's Tomb, 1.

One of the survey items asked whether the patrons had taken a public tour before choosing a particular suite. Forty

seven people responded to this item. Twenty eight people had not taken a tour while nineteen people had actually went gone on a tour prior to their stay. Respondents taking the tour cited curiosity about the suites and comparison in making a choice. People not taking the tour cited the unavailability of the tour on that given day or that the suite recommendation had already come from a friend.

Respondents were asked where they heard about the Fantasy Suites. Referral sources, as ranked in order, consisted of the following: friends, 21; relatives, 5; work colleague, travel agent, 3; newspaper, Don Q Inn, radio, television, 2; husband, Omni Magazine, publicity upon original opening, hotel worker, previous patron, beautician, wife, National Enquirer, mother, travel magazine, pamphlet, 1.³¹

People have various reasons for choosing their suites. Many people claimed that their choice was the only one available. Others specifically stated that the chosen suite had an appealing atmosphere. Waterbed, jacuzzi, mirrors, stereo and specific decor (e.g., the red and black colors of Gambler, a heart shaped bed in Cupid's Corner, and the coffee cup jacuzzi in Happy Days Inn) were frequently cited factors for most suites. One Fantasuite patron stated that the room was, "away from home and they could stay in a room not similar to your bedroom."

Suite Suggestions

Respondents were asked if they had any suggestions for prospective Fantasy Suites. The West Bend Fantasuite Hotel and the five other hotels routinely include such requests on their room evaluation form. Individuals submitting an accepted concept receive a free night in the Fantasuite of their choice. We divided the suggestions into five categories: a) outdoors; b) beach; c) sports; d) romantic; e) recreational; and f) transportation. Nine suggestions were received in the outdoors category. These were wilderness camp (2), hunting camp (2), canal ride, fishing camp, ant farm, bee have and log cabin. The surrounding state offers excellent natural resources and people generally enjoy the outdoors. Thus, enhancement of a time spent in an outdoors setting is transferred into this environment. In fact, the hotel already has several successful suites stressing the outdoors.

The beach theme was also popular. Seven people mentioned various types of beach settings. These were beach themes: beach front, beach, Hawaii (2); and Cancun, Jamaica and Acapulco. People seemed to feel that the warm sand, surf and tropical climate are soothing atmospheric conditions.

The most popular category was romance. There were eleven suggestions in this category. They consisted of a desert scene (with tent bed); bridal suite; volcano; in the clouds (literally); an old fashioned room (equipped with fireplace, cozy log cabin and antique decor); a hay loft; a fantasy

island; a pirate ship; burning love (electric fires, fur walls, bearskin rug, red hot tub, magic finger bed); and two erotic themes (bondage room and bordello). The romantic ideal is understandable and expected on a question of this type. People are seeking an escape from the everyday world. In fact, the ideas were somewhat inventive in the case of 'burning love' and 'in the clouds'.

The erotic suggestions are the most interesting. A female, 20, suggested a bondage room. She did not specify details. A male, 25, suggested a bordello theme; this notion seems to come directly from our culture. In reality, the hotel management discourages the 'no-tell motel' theme and explicitly steers people away from that notion. The rooms originally encountered some opposition but people accepted the premise after a short time. According to one source, the hotel management is careful to avoid getting a bizarre reputation. Hotel staff discovered Polaroid film scraps in the Dungeon and asked the parties to leave (Dallas Morning News, May 5, 1987).

The last three themes were sports, recreational and transportation. Three people mentioned airplanes, two people specifying Lear jets and the Spirit of St. Louis, and one person mentioned a hot air balloon. According to a New York Times article (October 13, 1988), a Fantasuite hotel was seeking a jet fuselage for a prospective airplane Fantasy Suite. The recreational theme included the circus, a carnival

and a motorcycle. These are very understandable and any item from this list seems potentially successful.

The last category, sports, featured four items. One person suggested a ski gondola and another a Swiss chalet. This is not surprising since area winters feature snow and much skiing. Two people suggested a theme room stressing wrestling. Both individuals mentioned that the bed could be shaped like a wrestling ring. The wrestling idea is appropriate considering the fantasy involved in selling the exhibitions through the media.

Several other general suggestions were included on the survey responses. One person suggested the presence of costumes and more interactive props in the room. For example, people could dress like an actor within that particular fantasy. According to the Dallas Morning News (1987), some people already dress up in the theme of the room: e.g., togas for Caesar's Courts, pith helmets for Jungle Safari or a steak dinner with the Wild West Fantasuite. The potential clearly exists for supplying these items if requested by hotel guests.

A second general suggestion was that Fantasy Suite patrons should have interaction with real persons. One survey respondent speculated on the possibility of a waitress on roller skates appearing in the Happy Days Cafe suite or sending a woman dressed as a belly dancer into the Arabian Nights suite for a brief appearance. This idea does have its

merits and might prove successful if implemented in an appropriate manner.

Specific Complaints Recorded by Fantasuite Patrons

There were a number of complaints regarding the fantasy Suite rooms. These complaints centered around hotel room upkeep, furnishings, and atmospheric factors. A male, 24, complained that the Dungeon had a bad television set and a hard bed. A second respondent, female, 25, complained that the Viking Room was not kept up, the bed was too short and there was no bubble bath. The comment that not enough towels were available in the room appeared on several occasions. A few people complained about smelling cigarette smoke in the Dungeon and several other rooms. In fact, room odors, whether caused by the humidifiers or bad upkeep were mentioned on a few occasions.

Furnishings were a popular category generating complaints. Some people complained of factors such as the small jacuzzi units in Happy Days Cafe and Cupid's Corner. One respondent complained that the Pearl Under the Sea needed more sea shells. Another person complained that the same room lacked enough seating area.

Complaints regarding atmospheric factors were particularly prominent. Three people mentioned that the mannequin behind the cashiers cage in the Gambler suite seemed intrusive. A female, 25, felt like she was being watched and suggested a

retractable curtain. One respondent complained that Happy Days Cafe needed a jukebox and records from the 50s and 60s. Several people complained that their suites were not exotic enough. Complaints of this nature came from people staying in Arabian Nights and Eastern Winds. It should be noted that a single female, 20, stayed in Arabian Nights with her boyfriend and made this claim. Interestingly, she suggested the bondage suite as her choice of possible alternatives.

Other people complained of conditions such as that the television sets were not visible from bedroom settings, and the temperature in Igloo II and other suites were too warm. Two people complained that the suites were located in crowded public areas. They suggested that the intimate atmosphere desired in these suites was maximizable when outsiders from wedding parties and other organized business affairs were kept away from the Fantasuite area.

The Fantasuite concept is one form of a managed environment wherein the setting transcends the symbolic nature of the cultural setting in the structuring of human experience. Bourdieu (1984), Harvey (1989), and others might agree that the cultural views expressed in the surrounding are made accessible through specialized marketing and a planned economic strategy. Subsequent sections deal with the ultimate example of thematic environmental settings-Las Vegas, Disneyland and DisneyWorld.

Las Vegas and Tourism in the Neon Jungle

Credit cards are an important element in tourism. A tourist need for satisfying hotel bills, paying for expensive floor shows, charging food and drinks, shopping at high scale shopping malls, and obtaining gambling funds from ComCash are all fulfilled through the use of credit cards. Consumer credit also enhances the tourist experience through encouraging escapism when the tourist does not have immediate financial concerns.

Las Vegas offers the quintessential example of tourism from an experiential and social perspective. Benjamin 'Bugsy' Siegel's original plan emphasized an isolated oasis offering escape from the real world.³² Las Vegas culture incorporated the consumption of every vice known to modern society. Consumers were afforded drinking, gambling and sexual opportunities in a desert location. Recent movies play up the many surrealistic aspects of financial and social pressures experienced by Vegas tourists. Honeymoon in Vegas (1992) and Indecent Proposal (1993) play upon the changing context offered by Las Vegas hotel operators. The gambling emphasis is placed upon accumulating wealth and consuming the excitement of the gaming encounter. New gambling odds apply after every deal at the card table or dice throw at the craps table. Money continually changes hands in the interaction between casino employees and willing gamblers. Goffman (1971) published a famous essay on interaction in gambling

situations.³³ A chance conversation between a colleague and myself yielded the information that Goffman, shortly before his death, was researching the interaction between Atlantic City card dealers and table customers.

Discussion of Las Vegas assumes a relationship between economic and social aspects of everyday life. Las Vegas as a collective gambling enclave, and individual hotel-casino complexes, provides entertainment and financial resources for maximum tourist enjoyment of their experience. The credit card is instrumental in charging airline tickets and hotel rooms.³⁴ Consumers can even obtain cash advances on their credit cards or instant gambling funds.

Las Vegas is the perfect model of a postmodern location. First, the city offers a prototypical example of cultural capital. The entertainment and total ambience exploits tourist greed and a striving for excess as standard conditions of human nature. Tourists 'consume' the scenery and symbolism as much as the alcohol, famous buffets and gambling atmosphere. The total atmosphere represents staged authenticity.³⁵ The outside trappings are a mask for the economic motives behind the performance. The atmosphere may suggest a bandy wild west situation (e.g., the cowboy neon sign in 'glitter gulch'-a euphemism for Downtown Vegas-or Binion's Horseshoe Casino hark back to a more primitive time).

According to MacCannell (1989) the total surroundings are transformed into a social performance. Tourists express an

interest in experiencing para-social pleasure through attendance at Las Vegas stage shows and taking chances at Blackjack tables, Craps tables and other games of chance. The live shows offer scantily clad women performing in world renown showrooms. Circus Maximus (Caesar's Palace), The Copa Room (Sands) and The Flamingo Room (Flamingo) rank along with Radio City Music Hall and Disney World as several of the more respected entertainment centers.

The gambling atmosphere offers another 'pseudo event' (or interaction for the purpose of generating economic revenue for hotel operators). Visitors in Las Vegas must learn to look beyond the distraction created by obtrusive signs (or marker-sight obliterations. MacCannell (1989) observes that experienced tourists learn how to read between the reality of a thriving Vegas gambling industry and the exterior signifiers:

A reference to the false backwardness presented by sightseeing tours in Tangiers). Similarly, the visitor to Las Vegas who wrote the following has seen through the structure of tourist settings and is laughing about it:

Along with winter vacationists, I will return to lively Las Vegas, if only to learn whether Howard Hughes, like the Mint Casino, has begun issuing free coupons entitling the visitor to a backstage tour of his moneymaking establishment.³⁶

Second, Las Vegas emphasizes excess in providing a total emersion into an escapist environment. Each hotel-casino puts on its best front in a competition for visitors. The escapism includes an architectural view of large hotel-casino

complexes, garish signs offering entertainment, food and gambling propositions; wedding chapels for 'instant marriages'; and exterior attractions along the Vegas strip intended as tourist lures.

The architectural plans are unique and very distinctive.

Each casino is designed around a particular theme. Some examples of specific hotels and their themes are as follows: Caesar's Palace emphasizes the Roman Empire, Circus Circus features actual circus acts, The Frontier maintains a western motif, Excalibur exemplifies a medieval look, and The Mirage consists of a South Seas setting. More particularly, Excalibur actually resembles a medieval fortress while Circus Circus is derivative of a circus setting. The suggested themes are reinforced with dress uniforms worn by cocktail waitresses and dealers, and uniquely designed or named sections of the casino or hotel areas.

The casino signs are also distinctive. Each major hotel-casino located along the Las Vegas strip is promoted by a huge neon sign offering food specials, specific entertainment acts and the best odds or sport book facilities. The huge sign outside of Circus Circus features a giant clown billboard advertising the hotel's room accommodations and other information. The sign advertises the low priced buffet specials, along with the usual gaming information.

Wedding chapels are a standard feature throughout the Vegas strip and within the major hotel-casino complexes.

Marriages are available 24 hours a day. Some wedding chapels along the strip post signs indicating which celebrities were married in their facilities. Tourists often read in hometown newspapers how a particular celebrity (e.g., Earvin 'Magic' Johnson or Warren Beatty) visited Las Vegas for a quickie wedding. Wedding chapels in a major hotel-casino complex are postmodern examples of self enclosed societies. In the case of a hotel such as Circus Circus or Imperial Palace, couples can get married and spend their honeymoon in the hotel without seeking outside entertainment. Food services, gambling, shopping and other accommodations are available under one roof.

Additionally, the Las Vegas planners are extending the postmodern image planning among adults seeking sexual or gambling pleasure and family oriented attractions incorporating children. Family entertainment is strongly emphasized as the Las Vegas casinos compete with local gambling operations across the country. Most notably, the Circus Circus corporation is extending its specialization in family entertainment. They are building a \$300 million theme park, contained within a four acre space frame, "out of cash flow." The structure will incorporate a replica of the Grand Canyon, the largest roller coaster on the West Coast, a flume ride and eight or nine dinosaurs.³⁷

Bill Kurtis, narrator of a television report on gambling observes that:

It looks very familiar: cartoon characters, lots of kids. But somebody's pulling our tail. It may look like a theme park but it's really a casino. It's where the kids can meet Tweety while the parents try to match up those spinning cherries. Welcome to the new Las Vegas. You cannot see it immediately. The upfront colors are still as bright, and they carry the same old message. But

behind the strobing neon it's a new game taken right from the Disney handbook. It's called family entertainment-and when you total up three or four days of hotel rooms, meals, arcade games for the kids-you have the mother lode of tourist dollars.³⁸

The external architecture is equally important. Major competition for consumption of cultural capital through easy credit card access has created a need for drawing customers into the casinos.³⁹ In a manner not unlike the carnival barker promoting attractions inside the tent, hotels offer shows outside or surrounding their casino areas. The Mirage offers an example of staged authenticity with their recreation of a South Seas volcano. The ersatz volcano (powered by heated water and a highly pressured hydraulic system) 'erupts' every fifteen minutes from early evening until midnight. Massive crowds are drawn to the site. The volcano accompanies an interior exhibit featuring white tigers utilized by Siegfried and Roy in their famous illusion show, giant fish tanks behind the front desk, and a dolphin pool in the backyard.⁴⁰ This paragraph from a press release detailing the Mirage Resorts incorporated history describes the Mirage in a few sentences:

The Mirage is a tropically-themed property which features a five acre front lagoon complete with a fire-erupting volcano; a habitat for extremely rare Royal White Tigers as well as a habitat for six Atlantic

Bottlenose Dolphins; a tropical rain forest with waterfalls and lagoons; and a 20,000 gallon salt water aquarium behind the front desk.⁴¹

Caesar's Palace, which is located adjacent to the Mirage property, countered with its own version of staged authenticity. Caesar's already established a unique identity through the transformation of the hotel-casino into vestiges of the Roman Empire. Cleopatra's Barge is a bar contained in a replicated Nile barge. Local models facilitate staged authenticity as they are dressed as Cleopatra, Julius Caesar and Marc Antony. The models walk around the casino or stand near the casino entrance. They pose for photographs and act as unofficial greeters.

Caesar's reinforced the image with the addition of a Forum mall. The mall, which opened in May 1992, consists of upscale shops serving to unite the early Roman theme with brisk tourist sales. The mall is designed as a Mediterranean village. The ceiling serves as the 'sky' (another example of staged authenticity). Businesses operating under Roman style storefronts include such famous names as Gucci, Victoria's Secret, Warner Brothers, Louis Vuitton, Spago, Nicky Blair's and Carnegie Deli. These excerpts from a press release say it all:

The shopping attraction will become an integral part of the bustling activity in the Caesars Casinos, adjoining the north wall of the Olympic Casino. The Forum Shops will be a visual, as well as a retail attraction. Storefront facades and common areas will resemble an ancient Roman streetscape, with immense columns and arches, central piazzas, ornate fountains and classical

statuary. Overhead, on a vaulted ceiling, a painted sky feature will emulate the beauty of a mediterranean sky.

Under a massive domed rotunda at the apex of the L-shaped Forum Shops, the Fountain of the Gods will recapture the refinement and grandeur of a Roman piazza. In another piazza will be the Festival Fountain. Here, Bacchus, god of merriment and wine, will host a party, with Apollo, Plutus and Venus joining in an astoundingly realistic animated robotic feature that will include lasers, music and sound effects.

At the Forum entrance on the famed Las Vegas "strip" is the brilliant Quadriga status---four gold-leafed horses and charioteer---and five heroic arches, an ancient symbol of great achievement.⁴²

The Festival Fountain packs in hundreds of tourists during each performance. The hourly performance features robotic statues that actually move and speak. The performance draws potential gamblers into the mall. Additionally, tourists must leave the mall through the attached casino. Models dressed as Cleopatra and Caesar greet tourists at the casino currently under construction will compete in a similar fashion. Steve Wynn, owner of the Golden Nugget and The Mirage, is building a new hotel-casino. Treasure Island is a new casino complementing the Mirage's Polynesian South Seas theme. A press release describing the new resort announces that the operation will open on November 22, 1993, four years after the opening of The Mirage. Steve Wynn is quoted as saying "The sheer fun of it has virtually jumped off the pages of Robert Louis Stevenson's great novel and on to our blueprints."⁴³

The press release contains the following descriptions of the resort complex:

The \$430 million Treasure Island at The Mirage will feature a 3,000 room hotel and a fancifully-themed casino, restaurants and retail boutiques. The resort will have 16,000 square feet of meeting and convention space, a spa and salon as well as a state-of-the-art game arcade for the family.

Highlighting the entertainment at Treasure Island will be the widely praised French-Canadian performing troupe, Cirque du Soleil, which will produce an all-new show to reside permanently at the resort.

The front of the resort has been designed as an outdoor theatre resembling the small bay village described in Stevenson's famed novel "Treasure Island." Each hour, a pirate ship, the Hispaniola, and H.M.S. the Sir Francis Drake will engage in a cannon battle while will include live actors in a meticulously staged show.

The company has disclosed that, after much debate, the pirates will be victorious.⁴⁵

The Circus Circus Corporation is competing with its own version of staged authenticity. Luxur, a new hotel-casino, is also scheduled for a late 1993 opening. The outside architecture is designed as a high rise pyramid shaped building. The theme will feature Queen Nefertiti and other aspects of ancient Egypt. The gambling special on the Arts and Entertainment cable station highlighted plans for a two performance per day Egyptian theme show, a Nile River ride through the casino, a state of the art arcade, an Egyptian amusement park, a shopping mall and other tourist attractions.

Each of the Las Vegas innovations described above is indicative of the postmodern theme wherein niche (or specialty marketing) is a recurrent theme. In effect, Las Vegas becomes an ersatz theme park driven by excited credit card carrying tourists. The entire package begins with the exterior design

and carries the detail through the entire interior, ash trays and drinking glasses, piped in music and employee uniforms. The experience is tied into creating cultural capital capable of attracting tourists into the casinos, shops and restaurants.

The older downtown area offers its own version of Las Vegas glitz. The spectacular neon displays in the downtown 'glitter gulch' area act an extension of the strip area through exemplification of the overall garish atmosphere. One might conclude that 'all that glitters is not gold.' The success of Las Vegas in the midst of a terrible recession and contemplated MGM theme park tells us otherwise.

One is left to contemplate the postmodern phenomena created with initiating the competition for tourism-Disneyland and Disney World. The last major section in this chapter will analyze the two notable theme parks as seen through the creation of cultural capital.

"We're Going to Disney World!"

Perhaps the ultimate postmodern experience is found in an examination of Disneyland and Disney World. The Disney organization constructed idyllic theme park settings offering the prototypical tourist setting. Tourism and the purchase of souvenirs, lodging or food is facilitated through the use of consumer credit. A family of four cannot easily afford \$49

admission per person, overnight hotel lodgings, food and other items without the use of credit cards.

Cultural capital and nostalgia are two important factors explaining the appeal of the Disney theme parks. The tourist attraction must offer a special appeal before travelers will spend their hard earned money. Cultural capital is built right into the appeal and image making efforts of Disney Productions and subsequent by-products. Featherstone (1991) explains that cultural capital is derived from economic and social values placed upon experiences and intangible elements linked with social prestige.⁴⁶

Disneyland and Disney World operate according to a similar principle. Cultural capital in the case of Disneyland and Disney World means that the environment transcends the economic value attached to admission, souvenirs and other tourist expenditures. The frequent utilization of consumer credit enables the physical and emotional purchase of experience. The tourists are actively consuming and buying the ideal experience offered by the theme park. Image makers at the Disney theme parks work towards establishing a product with appeal for the average tourist. The product in question is a spotlessly clean, well managed utopia wherein the problems of outside society are eradicated. The clockwork nature of the theme park environment and the staged authenticity of past, present or future motifs comprise a prototypical postmodern setting. Disneyland and Disney World

are transformed into ersatz cities. A suspension of disbelief turns the idealized vision of society into a real experience in the mind of numerous tourists.

On a more universal level, Cook (1988) and Zukin (1988) view the architectural restructuring of inner city areas (and, by extension, the idealization of theme parks as realms of power) as a postmodern reconstruction of "socio-spatial relations by new patterns of investment which lead to counter-tendencies to urban decentralization through the redevelopment of inner city areas and docklands, which become gentrified by members of the new middle class and developed as sites of tourism and cultural consumption."⁴⁷ In effect, the environment become museumified and equivalent to a theme park atmosphere.⁴⁸

Interpersonal escape is one of the commodities purchased by consumers through utilization of credit devices. Featherstone (1991:80) underscores the point with a deliberate comparison between fairs and the experiences offered by department stores or other exhibitions:

The excitement and fears the fair can arouse is still captured today in films which highlight the way in which these liminal spaces are sites in which excitement, danger, and the shock of the grotesque merge with dreams and fantasies which threaten to overwhelm and engulf the spectators. Today fun fairs and theme parks such as Disneyland still retain this aspect, albeit in a more controlled de-control of the emotions, where adults are given permission to behave like children gain.

The problem does not end with the idealization of experience permitting an exchange of economic transaction for

cultural transaction. The task remains for the efficient construction of the staged authenticity. Popular appeal leads to a modernization of travel devices that move crowds from one area into another at Disneyland and Disney World. Ritzer (1993:51-52) analyzes how efficient theme parks are equated with McDonald's as organizations establishing rational procedures for controlling the flow of people:

New Heights in people-moving have been reached by modern amusement parks, particularly Disneyland and Disney World. At Disney World and Epcot Center in Florida, for example, a vast highway and road system funnels many thousands of cars each day into the appropriate parking lots. Once the driver has been led to a parking spot (often with the help of information broadcast over the car radio), jitneys are waiting, or soon will arrive, to whisk family members to the gates of the park. Once in the park, visitors find themselves on what is, in effect, a vast (albeit not self-propelled) conveyor belt which leads them from one ride or attraction to another. One may get off the larger "conveyor system" to enter one of the local systems that move people to a particular attraction. Once the attractions themselves are reached, the visitors find themselves on one conveyance or another (cars, boats, submarines, planes, rocket ships, or moving walkways) that moves them through and out of the attractions as rapidly as possible. The speed with which one moves through each attraction enhances the experience and reduces the likelihood that one will question the "reality" of what one sees.⁴⁹

Rationalization, efficiency and a staged authenticity capable of enhancing the cultural capital of the Disney theme parks are only one aspect of their appeal. Nostalgia and a look toward the future are another major reason for the success of these two major theme parks and their later spin-offs into resort areas, movie studios and Epcot Center. A tourist can visit Tom Sawyer's Island, the Main Street Cinema,

or explore projected advances in nuclear physics, space travel and electronic devices. Featherstone (1991:101-102) most appropriately summed up the postmodern appeal of Disneyworld:

If postmodern cities have become centres of consumption, play and entertainment, saturated with signs and images to the extent that anything can become represented, thematized and made an object of interest, an object of the 'tourist gaze', then it is to be expected that leisure activities such as visiting theme parks, shopping centres, malls, museums and galleries should show some convergence here. To take some examples, DisneyWorld is often taken as the prototype for postmodern simulational experiences and it is interesting to see that the format of moving between spectacular experiences (white-knuckle rides, hologram illusions etc.) and the simulation of historical national-founder or childhood worlds (the Magic Kingdom) or wandering through simulations of building, which are chosen to symbolize selected national cultures (such as the Merry England Pub) or futuristic scenarios (EPCOT) in sanitized, highly controlled surroundings, has not only been imitated by theme parks around the world, but has also been merged with other formats such as museums.⁵⁰

The relationship between the postmodern aspects of Disneyland and Disney World is further explained by Featherstone's (1991:103) reference to the relationship between consumption and leisure (a reflection of cultural capital). Featherstone begins the section with a discussion of The West Edmonton Mall in Canada and the Metrocentre in England. He would no doubt add the recently opened Mall of America in Bloomington, Minnesota. Featherstone comments that the people become audiences moving through imagery designed to represent "sumptuousness and luxury", or to "summon up connotations of desirable exotic far-away places, and nostalgia for past emotional harmonies."⁵¹

Each of the sections is meant to invoke youthful feelings among adults bringing their children. Both Disneyland and Disney World are divided into distinct sectors. The various sub-themes incorporated as separate sections include Tomorrowland, Fantasyland, Adventureland, Liberty Square and Main Street. The attractions combine many theme rides (rocket ships, submarines, automobiles) and thrill rides (space mountain). In addition, Michael Jackson's 3-D attraction Captain EO is offered at Disneyland and Disney World. Disneyland recently added Toonland, a section containing cartoon characters starring in Who Framed Roger Rabbit.

The Disney organization encapsulates a history of the Disney empire with extensive background detailed in their training manual.⁵² Disneyland opened in 1955. The original Disneyland offered a connection between the past and hopes for the future. A regular Disney series on the television networks drew people to the theme park. Walt Disney expanded the reach of his theme park with several attractions at the 1964 World's Fair in New York. "Great Moments With Mr. Lincoln" (a truly postmodern spectacle where an electronic robot replicated Abraham Lincoln's notable speeches) and "It's a Small World After All" were a few of the famous attractions offered at the fair. Both attractions are staples at Disneyland and DisneyWorld.

Major planning for Disney World started in the mid-1960s. Disney World was a portion of an extensive Walt Disney World

Resort. The facility opened on October 1, 1971. Some early features of the development included the Magic Kingdom, the Contemporary Resort Hotel, and the Polynesian Resort. Space Mountain, the Disney Inn, Walt Disney World Village, Typhoon Lagoon, Pleasure Island, Disney Village Marketplace, and numerous resort areas followed.

Epcot Center opened in 1982. The theme park is a showcase for new technologies and cultures of man. Epcot Center emphasized the relationship between humans and the environment. The Epcot resort area included a Yacht and Beach resort, the Walt Disney World Dolphin, the Walt Disney World Swan and Disney's Caribbean Beach Resort.

More recently, the Disney organization built theme parks in Japan (Tokyo Disneyland) and Paris, France (Euro-Disney). Both theme parks charge higher admission charges than their American counterparts but are immensely successful.

The Disney-MGM Studios Theme Park was added several years ago. The area includes an active movie studio modeled after the long standing Universal Studio attraction in Southern California. Many television shows are also produced in the theme park. The theme park features many movie and television related rides (e.g., Indiana Jones Stunt Show, Beauty and the Beast, a Star Wars Thrill Ride, and Teenage Mutant Ninja Turtles). The theme park also features a Superstar Television exhibit. In a real postmodern twist, visitors are electronically juxtaposed with videotape from "The Today

Show", "Golden Girls", "General Hospital", "Howdy Doody" and even Johnny Carson on "The Tonight Show."

How do we explain the postmodern appeal of a Disney theme park and related economic implications? Aside from the previously discussed concept of experience drawing upon and creating cultural capital, the theme parks continually play upon childhood nostalgia and the "little boy or girl in all of us." Zukin (1991) and other urban sociologists emphasize the development of theme parks into idyllic microcosmic cities. The Disney organization training manual amplifies Disney's World's considerable symbolic (or cultural) success in stating that Walt Disney World Resort is more than a theme park. According to the text, "It is a worldwide legend."⁵³ The manual then continues in a summation of all the postmodern attractions contributing to popular tourist acceptance and economic success.⁵⁴

The Disney World marketing plan reflects the tradition of postmodern segmentation. Niche marketing is operative in the process. Each individual group has its own predispositions which must be analyzed and defined according to Disney's own marketing calculations. Discrete consumer categories are created and defined according to individual groups of different types of people, "each of which must be talked to in a different way."⁵⁵ The specific groups are national, in-state, family, non-family, new markets and international. The consumer groups, all of which are categorizable according to

discernable characteristics, are approached according to family size, travel distance, and monetary cost managed through credit card expenditures.⁵⁶

The message itself is a product of astute promotional efforts. A "campaign" recognizable throughout the marketplace is constructed for the general media campaign. The marketing section within the training manual specifically mentions the 1981 campaign celebrating the World Disney World Tencennial; the 1982 opening of Epcot Center; the 1986 15th anniversary party featuring a prize given to a guest every 15 seconds and a new car given away every day, all year long; and the 1988 theme highlighting the 60th birthday of Mickey Mouse.

The so-called "marketing mosaic" is based upon publicity derived from anything seen or heard in the news media (newspapers, magazines, television and radio). The marketing, in a version of the gatekeeper process, involves news releases and photographs packed into press kits and sent to newspapers around the country. Video press kits incorporating completed video stories are distributed to TV reporters. Press tours feature local meetings with Walt Disney World representatives in cities throughout the country. Satellite hookups make press events available to media throughout the country.

Advertising is specifically directed into television, print advertising and on-sight advertising. The various segments discussed in previous segments are isolated, targeted and approached on the basis of the following strategy:

Television is the most powerful means of advertising to many market segments because the visual nature of TV allows us to show our very visual product. A picture is worth ten thousand words when we show the smile on a youngster's face, or the bright blue water and snow-white sand of a beach scene. We often buy television on a regional network (only parts of the country) and a spot-buy (selected cities) basis. Because research can tell us the average age of viewers watching a particular program, we can choose whether to talk to young or old, family or non-family groups.

We can also use television advertising to tie in to timely events, such as the Olympics or World Series, and generate special interest in the commercials themselves. You may have seen our commercials asking top sports figures who've

just won the Super Bowl, etc., what they're going to do next, to which they reply "I'm going to Walt Disney World!"

These are good examples of this type of timely, or "topical" advertising.

Co-Operative Advertising is an art nearly perfected by our company. In this form of print advertising, we offer other companies the chance to buy space in multi-page advertising sections which we design and produce. These ad sections appear in such publications as People, National Geographic, and Reader's Digest. Companies which take part in these cooperative efforts include other tourism-oriented Florida businesses, such as cruise lines and rental car companies. They benefit from being in our advertisements, because they are perceived as being part of an ideal Disney vacation. Co-operative advertisers, in paying us for ad space, help offset the cost of our ads in these same sections, and greatly reduce the overall cost of the section to us.

On-Site Advertising is another important part of our advertising effort. It consists of materials displayed to guests already on our property, informing them of the many things there are to see and do here. Everything from lobby posters to the sophisticated information channel on guests' in-room TVs falls into this category. Extending guests' length-of-stay or increasing the number of activities they participate in while they're here is a very real and cost-effective way of increasing revenues.⁵⁷

The Disney World marketing scheme stemmed from the original vision for Disneyland as posed by the Disney

Corporation. According to Zukin (1991:223), Disneyland's original critics "failed to understand that Disneyland was an ideal object for visual consumption, a landscape of social power." In effect, Disneyland projected "a 'Disneyland realism,' sort of Utopian in nature, where we (Disneyland's planners) carefully program out all the negative, unwanted elements and program in the positive elements."⁵⁸

Disneyland and DisneyWorld were designated as unique tourist attractions. The theme parks comprise "fantasy architecture for mass entertainment."⁵⁹ The collective desires of the mass society were incorporated into the planning for specific themes appealing to tourist interests. Mass consumption, in a manner not unlike the previous forms of cultural capital discussed in this chapter, was facilitated through the symbolic settings (or liminality-otherwise known as barriers-set by the physical background and nostalgia or yearning for utopian society).

The Disney theme parks were also important in the impact of market, place and landscape.⁶⁰ Zukin (1991:7) forcefully argues that market culture was determined by place. Settings dictated existing culture. Place subsequently becomes less important with the homogenization of American society. Experiences lack individual creativity with the imposition of global cultures. Landscape is the symbolic representation of cultural values. The landscaped setting is trivialized as an

archetype consumable just like physical objects purchased by zealous shoppers.

In effect, tourism facilitated through credit card utilization brings corporate control into consumer consumption of social leisure. We are told what to see, programmed into reacting in particular fashion while consuming sexual fantasy, visions of winning money in the Las Vegas induced theme park landscape and convinced that a consultation with a telephone psychic will change our lives. All of the above are forms of social escape. However, consumer conception of social escape does not instantly materialize through natural experience. The next chapter offers a deconstruction of credit card advertising images used in communicating aesthetic values.

Notes

1. Featherstone, 1991, Page 14.
2. Schor, 1991, Page 2.
3. Schor, Pgs. 2-3.
4. Schor (1991:3) notes the conspicuously high standard of living enjoyed by American families in the following passage:

After four decades of this shopping spree, the American standard of living embodies a level of material comfort unprecedented in human history. The American home is more spacious and luxurious than the dwellings of any other nation. Food is cheap and abundant. The Typical family owns a fantastic array of household and consumer appliances: we have machines to wash our clothes and dishes, mow our lawns, and blow away our snow. On a per-person basis, yearly income is nearly \$22,000 a year-or sixty-five times the average income of half the world's population.
5. Schor, P. 3.
6. Featherstone, 1991, Page 14.
7. A later section of this dissertation study will expand on Zukin (1991) in dealing with Disneyland/Disney World as distinct cultural manifestations. Another dissertation study, by Steve Lang (CUNY, forthcoming) will feature more complete analysis of heritage, culture, and economic realities.
8. "The Club" (or a device intended to thwart automobile theft by snapping onto the steering wheel) was successful because the former clutch locking system was impractical with the drivers' side relocation of the automatic transmission. Manufacturers of the anti-theft device found themselves competing against imitation products. Therefore, they sought to redefine the original product through introduction of the same device in various colors. A current television commercial subtlety points out the reconstructed product image.
9. Analysis of shared symbols and symbolic interaction as applied to the foregoing analysis is largely derived from the work of Veblen, 1967/1899 and Goffman, 1959. MacCannell's (1989) analysis of the tourist draws heavily from the collective work of both authors.

10. See MacCannell, 1989. MacCannell utilizes the term in a generic context in offering a semeiotic analysis of everyday experience.

11. Ibid.

12. See MacCannell, 1989, P. 2.

13. Ibid, P. 3.

14. Ibid., p. 103.

15. The talk radio format combined the telephone with broadcast radio conversation. Anonymity of personal identity often enables the expression of private thoughts without public attrition. Goffman (1959) dissects this concern in his discussion of 'discredited' and 'discreditable.'

16. Sexual attractiveness plays a vital role in the process. Most messages are straightforward with the occasional exception of double entendre enticement. One such example was overheard in April 1984: Hi there. I'm bachelorette number x. Do you want to play a game? If you win, you get me. You must be intelligent, attractive, and have a fabulous sense of humor. You must be dynamic and very successful. Do you like older women? I like younger men. So if you are about 6 feet tall and have a great body, I want to hear from you. You just might be the winner. Please send me your picture along with your letter. Maybe when you are the lucky winner, you'll find out that you have a lucky prize. I hope to hear from you soon. That's bachelorette X.

17. Sexual tensions are handled differently in various situations. Examples illustrate compatible and tenuous situations.

#1: Driver: Hi, (Handle)./Prostitute: Hi,(inaudible).

Driver: This here's (Handle). You all wanna have coffee wit' me./Prostitute: Yeh I (inaudible). Driver: Yeh, Okay. I'm just poking along 40 MPH up here. Ah, come on.

Prostitute: (inaudible)--55. Driver: Fine. Ah-you wanna stop at this ah-what is it-a Skelly up here at the right hand side? Driver: Yeh-ah-okay-what are you drivin'? (Klein and Luxenburg, 1981:12).

#2: Driver: Where's that horny woman at? How much would it take to satisfy you? Prostitute: About 12 inches and \$25. Come

in. Driver: I got the 12 inches, but I don't have \$25.

18. A comment filed with the FCC by Morality in Media, Inc. (1984) explains this system. The Downstate mass Announcement Network Service (known as "Dial-it" numbers) were leased by New York Telephone to private business sponsors. This service comprised a special switching system which permits one number to handle thousands of calls simultaneously.

19. Refer to Steve Richard's description of an adult bookstore as presented at the 1983 meeting of the Society for the Study of Social Problems, Detroit, Michigan.

20. Three recorded Dial a porn segments, suggesting a panties fetish, rectal sex, fellatio and a fourth suggesting penis stimulation or 'blow jobs' (the last cited by Morality in Media, Inc.), are presented for the reader's inspection:

#1: Underwear Fetish Sequence

I'm an executive featured in High Society. I know that some men don't like it when a woman wears the pants in the family. All I care about is who wears the panties. See these (unclear) ones I have on? Pull them off me. Yeah-slide them down my creamy thighs. Ooh-now let me put them on you, baby. Yeah, I'm going to pull your stiffening sex tool through this open crotch. Ooh-don't protest, baby. I see you like it. Your tool's throbbing. Ooh-that looks so hot hugging through this lace. Now baby, I want you to poke it through me. Yeah-you're hot and wearing my panties. Ah-ooh-yes-ooh-you're getting me so excited. It won't take me long to come. Ooh-come on baby. Oooh-that tool is bigger and stiffer than I've ever seen it. So don't say this doesn't turn you on. Oh yeah-come with me baby. Ooh-do it-do it-do it. Uh-uh-uh (log deep breath). The (lure and) lust of lingerie (inaudible) the sex.

#2: Rectal Sex Sequence

You know something. I am just itching to have my butt filled up. That's right, baby. Slip your slippery red tongue in and out-in and out of my moist crack. Oh-that feels so nice-now shove your finger in there-oh-oh-oh-yes, oh yes, yes, now two fingers-oh, oh, oh, oh-more-oh-oh-oh-oh. It hurts! But I want it! Oh-now your whole hand. Oh-oh-oh, yes. Oh, I love it. Oh I still want more Please-please. Plunge your hard pole into my throbbing back door. Ah (scream)-oh, yes, yes. Oh, fill me up. Stick it in. Ah-oh. Call me up again after seven.

#3: Fellatio Sequence

Hi. I'm Elise from High Society-and I don't want to hear that you're too tired to put your meat into my hot, creamy slit because-all I want is to suck you until you come-so lie back and open your pants an-um-yeah-put your soft tool into my hot, wet mouth and-ooh-oh-oh-feel it grow thick and hard as (inaudible) your heavy jewels-um-um-um-um-and like this-oh-oh-as you pump your throbbing probe in between my wet lips-and-deep down my throat. Oh-oh yeah-as you start to-oh-oh-oh-spill your thick cream, baby.

Oh, if you can get it up again, call back tomorrow. And for a live sex call, try (phone number).

#4: Penis Stimulation Sequence

Hi! Crystal's away for a few days, but this is Dee Dee, featured on Page 56 of the April Live Magazine. I love to be held but I also like to hold onto you. Oh, what a handle you've got there. Mm, let me touch it. Oh, oh, so silky and sexy. Wow. Squeezing it makes it so big and hard. I love it. Ah, ah, ah, quicker, okay like this. Mm, oh, don't stop. Ah, ah, you're going to pop. Um, um, um, wow, um, um, I bet no one ever called you a little squirt. Thanks for coming. Remember to call again for more.

21. The Psychic Friends Service Network and various competitors generally offer personal advice for a set rate per minute. The payment is generally billed on a credit card.

22. The structural framework of the psychic hotlines were discussed on a February 1993 edition of The Maury Povich Show.

23. Everyday culture is inundated with sexual images. Most television programs (soap operas, television talk programs, and even the news programs), television commercials and magazine advertising, and daily discourse emphasizes sexual imagery.

24. More recently, the viable interpretation shifts from the Marxist paradigm to a less deterministic explanation. The postmodern (or poststructural) view assumes that consumers pursue experiences or commodities as a matter of free will rather than manipulation. Of course, marketing still plays a major part in the decision-making process. But consumers

still pick and choose among offered material or experiential options.

25. Ford could not recognize that the advent of modern industrial changes stemming from his creation possessed the potential for effecting impressive change in the form of industrial planning and production.

26. The following descriptions for these suites are reproduced from a pamphlet:

- 1) **Infinity-** Lights and mirrors and lights and mirrors! A queen size bed with stereo and cassette player in the headboard and inviting jacuzzi are highlighted in this romantic getaway.
- 2) **Captain's Quarters-** A mariners delight! From the cedar paneled cabin to your own porthole (with fish), this fantasy in blue is sure to please any captain and mate. A full floatation waterbed and cozy jacuzzi, just for the two of you, pull this theme together.
- 3) **Eastern Winds-** Let the mystery of the orient transport you to another world. A king size bed, black lacquered furniture and oriental decor bring this fantasy together. A jacuzzi, with ceiling to floor mirrors, surrounds you with soothing jets of water.
- 4) **Cupid's Corner-** Beware of Cupid's arrow! This romantic setting is perfect for that special occasion. Heart shaped waterbed, mirrored ceiling, stereo and cassette player. Beautiful muraled walls in jacuzzi area. Every day is Valentine's Day.
- 5) **Space Odyssey-** Sleep in a recreation of a Gemini space capsule set in a moonscape. This 10 sided waterbed capsule comes complete with an AM/FM stereo cassette player, TV, and video game. Also featured is a large, tiled jacuzzi.
- 6) **LeCave-** You've never seen a cave this luxurious...or this romantic. A 10 sided waterbed and oversized tub are featured in this cave-like setting.

27. Several other suites complete the set of 24 currently offered at the West Bend Fantasy Suite hotel. These include the following themes:

- 1) **Pearl Under the Sea-** clam shell waterbed; lighting

controls and AM/FM stereo cassette player; private tub surrounded by mirrors.

- 2) Viking- Viking ship with waterbed, private spa, sauna.
- 3) The Treehouse- swinging bed suspended from four trees; jacuzzi.
- 4) Jungle Safari- grass hut with waterbed and TV; whirlpool.
- 5) The Dungeon- medieval castle enhanced with a giant jacuzzi.
- 6) The Teepee- teepee equipped with a waterbed and mirrored ceiling; large jacuzzi amidst a forest setting.
- 7) Tiajuana Jail- jail cell furnished with a queen size bed,
large jacuzzi.
- 8) The Gambler- wall mural of Atlantic city; furnished in red
and black; queen size bed with mirrored and lighted headboard; walk-up jacuzzi, surrounded by mirrors; woman behind cashiers counters; gambling equipment.
- 9) Klondike- queen size mining cart, TV, bath.
- 10) Happy Days Cafe- giant jacuzzi cup and coffee urn; queen size sandwich bed; 50s cafe setting.
- 11) Wild, Wild West- wagon train bed, water trough jacuzzi.
- 12) Arabian Nights- sheik's tent, 10 sided waterbed, oriental
rug.
- 13) Baby Grand- waterbed in a piano.
- 14) Pharaoh's Tomb- sarcophagus bed in a pyramid; tub cornered
by mirrors and hieroglyphics.

28. The Marketing Director at the West Bend Fantasy Suite Hotel answered questions regarding hotel clientele, attitudes of the hotel chain management toward the Fantasuite program, and public receptibility of the Fantasuite concept.

29. These results reflect the upwardly mobile nature of the American public. Males have already worked at achieving graduate degrees, while females are increasingly pursuing a college education and gradually positioning themselves toward graduate degree programs. The predominantly younger females in this survey, mostly in their mid-twenties, reflect this growing trend.

30. We could not document exactly how many males or females were married but engage in extramarital relationships.

31. Several factors bear clarification. The Fantasuites were featured in Lifestyles of the Rich and Famous, in numerous newspaper articles (New York Times, October 13, 1988; Chicago Tribune, October 1, 1986; Dallas Morning News, May 5, 1987), and a local radio station. The hotel made six suites available as a radio station promotion. The people stayed on a weekday night and were part of a live broadcast the following morning. The suites involved in the promotion were Caesar's Court, Happy Days Cafe, Pharaoh's Tomb, Viking, Gambler and LeCave.

32. See the 1989 film Bugsy for a depiction for Siegel's conceptual ideas and the eventual development of the Las Vegas tourist atmosphere.

33. See Goffman, 1971.

34. An academician encountered at a recent sociology conference confessed that she obtained her only credit card after hotels, airlines and car rental firms refused cash payment.

35. MacCannall (1989) discusses the tourist appeal within settings wherein the immediate background consists of actors and actresses portraying historical roles. Relevant examples of staged authenticity include the recreation of colonial life in Williamsburg, the construction of antiquated villages throughout Long Island, New York and the bucolic (or rustic) Main Street, USA attractions throughout the country.

36. MacCannell, 1989, Pgs. 127, 130.

37. Information contained in Gambling in America, an Arts and Entertainment program narrated by Bill Kurtis, April 9, 1993.

38. Ibid.

39. Recurrent reports indicate that some slot machines may accept credit cards or plastic cards simulating the easy access or cash through ATM cards. It is noteworthy that most casinos in Las Vegas and Atlantic City include either ATM machines or cashcall devices wherein gamblers can obtain instant cash.

40. These developments were amply illustrated in Gambling In America, an Investigative Reports production on the Arts and Entertainment cable television, April 9, 1993.

41. Press release obtained from The Mirage, Las Vegas, Nevada, February 1993.

42. Excerpts of a press release obtained from the Marketing Director's office at the Forum Mall, Caesar's Palace, Las Vegas, Nevada.

43. Bill Kurtis, narrator of the A & E report on gambling pointed out that casinos are transformed into theme parks. The above observation is especially relevant in the case of Circus Circus, where parents and children can spend a minimum of \$200 for a short two day vacation. The total includes credit card purchases of airline tickets, hotel accommodations, extra cash, food and souvenirs.

44. Press release furnished by The Mirage, February 1993.

45. Press release issued by the Mirage Hotel, February 1993.

46. Featherstone (1991:89) elaborated on this important point:

It therefore makes sense to talk about the genesis of taste for lifestyles and cultural goods in terms of the possession of volume of cultural as well as economic capital. To attempt to map taste purely in terms of income is to miss the dual principles in operation, for cultural capital has its own structure of value, which amounts to convertibility into social power, independent of income or money. The cultural realm thus has its own logic and currency as well as rate of conversion into economic capital. For the possessors of a high volume of cultural capital, the intellectuals and academics, the prestige, legitimacy, relevant scarcity, and therefore social value of this cultural capital, is dependent on a denial of the market in cultural goods and a denial of the relevance and necessity to convert cultural capital into economic capital.

47. As Cited in Featherstone, 1991.

48. Featherstone (1991:106) offers the following justification for this view:

There are therefore an expanding range of criteria in which cities may be ranked in terms of cultural capital. What the shift towards postmodern culture is held to introduce is a movement away from agreed universal criteria of judgement of cultural taste towards a more relativistic and pluralistic situation in which the excluded, the strange, the other, the vulgar, which were previously excluded can now be allowed in. In this sense the tendency is for the long-held Western universally based symbolic hierarchy to become spatialized out with a greater tolerance of difference and diversity. From the perspective of the economic utility of cultural capital this means that while traditional smokestack industrial towns of the 'rust belt' are to be regarded as low in cultural capital (with the exception of those who are able to repackage and museumify these elements as assets), the range is extended from traditional historic value and treasures to include newly created and simulated environments that take in some of the postmodern and more popular cultural forms we have mentioned (theme parks, malls, shopping centres, museums as well as popular cultural venues), which are perceived as attractive and saleable.

49. Ritzer, 1993, P. 51-52.

50. Ibid., pgs. 101-102.

51. Some of Featherstone's description is relevant:

As cities de-industrialize and become centres of consumption one of the tendencies of the 1970s and 1980s has been the redesigning and expansion of shopping centres which incorporate many of the features of postmodernism in their architectural design of inner space and simulated environments: use of dream-like illusions and spectacles, eclecticism and mixed codes, which induce the public to flow past a multiplicity of cultural vocabularies which provide no opportunities for distancing (de-distancing) and encourage a sense of immediacy, instantiation, emotional decontrol and childlike wonder.

There are therefore common features emerging between shopping centres, malls, museums, theme parks and tourist experiences in the contemporary city in which cultural disorder and stylish eclecticism become common features of spaces in which consumption and leisure are meant to be constructed as 'experiences'. As Lefebvre (1971:114) remarks, in the contemporary city we have

'consuming displays, displays of consuming, consuming of signs, signs of consuming.'

52. The material was obtained in February 1992 after contacting Disney representatives.

53. "The History of the World," Walt Disney Organization, P. 4.

54. The manual then continues in a summation of all the postmodern attractions contributing to popular tourist acceptance and economic success:

Consider that in each of the past few years, 23 million visits were made to our parks. Since opening in 1971, we have had more visitors than the entire population of our country--over 250 million!

We are, and have been for many years, the #1 vacation destination on the planet. Consider what that means: more people visit us in a single year than visit the Eiffel tower, the Pyramids, the ruins of Greece or the Grand Canyon!

Comparing us to Disneyland, with which many people are familiar, reveals some staggering statistics: Disneyland is a little over 144 acres in size. Our World covers 27,000 acres. It has been calculated that the whole of Disneyland could be built in our Magic Kingdom's main parking lot--with room enough left to park 600 cars!

Walt Disney World is truly a modern wonder of the world. Every day we make use of fiber-optic communications channels linking many parts of our property. We dispose of trash via an underground vacuum tube system which whisks refuse almost a mile at speeds of 60 mph. We control rides and attractions down to the wag of a robotic dog's tail from distant computers, using technology developed for the space program.

From a business standpoint, we are much more than a theme park as well. To the Walt Disney Company we are the largest single financial contributor to the bottom line, and have been for years.

We are responsible for generating huge amounts of cash for our company on a daily basis. (Imagine 100,000 guests each buying tickets, food and souvenirs.)

We are also responsible for keeping alive the magic of Disney by serving as a place old friends can come to again and again, and which new friends can experience for the first time every

day! Disney theme parks hold a special place in the hearts of everyone, and Walt Disney World is the location of the premiere Disney theme parks of all, plus so much more.

55. Disney training manual, Pgs. 1-3.

56. The Disney manual text (pgs. 1-3) consists of the following detail:

National--Imagine, over 79% of our guests must travel from outside of Florida to visit our world. To do this, they must arrange transportation, overnight lodging, plan for meals, budget their time and money, take time off from their jobs, take the kids out of school and do all the other things that a stay away from home involves. It's no wonder that we advertise to this group differently than we might to someone who lives just 50 miles away.

As a rule, these guests are more interested in the "big picture," about all our resort has to offer. After all, they're making a major investment--usually in excess of \$200--and they want to know about everything there is to do. So, in our national advertising, we try to tell them as much as we can. We focus on the Total Resort Experience of our world. Not just one new attraction or feature, but the sum of what a week here will give them.

In-State--For this group, a trip to our world is easier to plan. It often means just a short drive, and involves no overnight accommodations. These guests will visit much more often, and will be interested in new attractions or parades. Since they're staying for a day or two at a time instead of a wee, they probably will be more interested in what's new instead of the "big picture."

Family--A family with children will probably be interested in what our world offers the younger set. We realize this and emphasize the happiness we hold for children and their parents in our marketing directed at family groups.

Non-Family--This group will be interested in a different type of vacation than the family group. As a rule, the non-family group wants to know more about the adult activities offered: shopping, dining, dinner shows, etc.

New Markets--For areas of the country (and the world) where we've never advertised before, we may take yet another approach. These groups may have a misconception of what we are, which we may have to try to overcome. They may think we're only a theme park, and our job will be to show them we're

a resort. This type of marketing is much more "education-oriented."

International Markets--If there is any group which needs to be educated and informed about our world, this is it. Often cultural barriers must be overcome, and long-held perceptions changed. Remember, marketing to this group means generating interest in visiting America, then in visiting our Resort. Money exchange rates, transportation routes and schedules, and language barriers must all be taken into account when marketing in other countries.

57. Disney training manual, pgs. 6-8.

58. Zukin, 1991, P. 222.

59. Ibid., P. 232.

60. Zukin (1991) presents these ideas as her primary framework.

Chapter Four

The Advertising Industry

Introduction

The advertising industry assumes an important function in promoting the purchase of various commodities. The existence and utility of various saleable products or services are publicized through various media. Television advertising features promotional commercials ranging in length from 10 through 60 seconds. Newspaper and magazine print formats, radio commercials, highway billboards, and even matchbook covers are several other popular advertising forms.

The analysis presented in this section focuses upon the creation of consumer credit marketing concepts and how messages are structured in television, radio, and magazine advertising. Did the advertising industry alter public attitudes? The overall analysis facilitates an evaluation of whether the consumer credit industry "seduced the masses," or essentially played upon predispositions already present among many societal members. The analysis also undertakes a consideration of whether a combination of these factors were operative.

The cumulative analysis isolates several important historical factors for consideration. These factors include proliferation of mass media in the form of television,

magazines, and other communications technology; increased establishment of nuclear families in the post World War Two era; and growing sophistication of advertising techniques as a major influence in the basic process.

Each media form is instrumental in publicizing consumer credit. Conspicuous advertising in various media promote the social benefits of using credit cards. Credit card advertising is so prominent because virtually every person is exposed to mass media. Some forms include television, magazines, and newspapers. Television penetrates over 90% of all American homes. In addition, magazines and newspapers reach many persons and are heavily dependent upon advertising revenue. The relative advantage of magazines and newspapers is the potential for repeated exposure of advertising copy among many people.

The nuclear family was a conspicuous social unit in the decades following World War Two. Consumer demand rose in relation to family needs and media exposure. Television and other media expanded into all facets of social life. The rise of television and conspicuous sponsorship by leading manufacturers is directly linked with the new family lifestyle. It is not coincidental that television and other mass circulation media were prominently influential in publicizing and expanding consumer credit.

Finally, consumer credit was also marketed as an everyday product. Advertising messages evolved into a more subtle and

sophisticated art form. Advertising was aimed at particular target audiences. Each campaign had a specific purpose and was organized around selling particular products. The emphasis on selling previously unavailable durable goods or experiences or merely altering the marketing image for greater sales is a prime function of advertising. Niche marketing is accomplished through carefully constructed commercials designed for informing public segments with potential interest in the goods and services. The public obtains the message that credit cards can facilitate the purchase of particular goods and services.

Advertising fulfills an important purpose within a capitalist society. Actual merchandise and credit cards (as purchasing devices) are vigorously marketed in a competitive capitalist economy. The evolvement of credit instruments for financing current and prospective purchases is equated with marketing specific merchandise. At the same time, there is an essential difference between selling particular consumer goods and promoting the future acquisition of those commodities through credit card privileges.

Marketing the potential consumer purchase of material items or experiences such as trips to Las Vegas, the Mall of America or Disney World is more important than the immediate sale of a refrigerator or videocassette recorder. Future consumption is an important consideration, given that Sears issued 41.2 million Discover cards; Citibank issued 30 million

Mastercard and Visa cards, and American Express, 25 million cards. The current balance on credit cards currently averages about \$1,260 for Visa, Mastercard, Discover and Optima cards. Outstanding balance was only \$800 in 1986. There is a total number of 275 million credit cards in circulation, up from the 180 million in 1986.¹ According to market share, there is an industry total of \$189 billion dollars in outstanding balances. The major card issuers rank as follows: Citicorp, \$34 billion, 18 percent; Sears-Discover, \$14.9 billion, 7.9 percent; Chase Manhattan, \$10.0 billion, 5.3 percent; Bank of America, \$9.6 billion, 5.1 percent; MBNA America, \$8.3 billion, 4.4 percent; First Chicago, \$7.4 billion, 3.9 percent; Chemical Bank, \$6.0 billion, 3.2 percent; A.T.&T Universal, \$5.2 billion, 2.8 percent, Banc One, \$4.6 billion, 2.4 percent; and Household Bank, \$4.3 Billion, 2.3 percent.²

Credit cards, as promoted by banks, finance lending companies and home equity loans, a vigorously marketed consumer line of credit popular within periods of low interest rates, enabled the purchase of other consumer commodities. Additionally, retailing outlets depend upon credit cards and installment plans for approximately half of the overall sales volume (National Retail Merchants Association, 1986).

Not everyone shares the same instrumental view regarding the positive impact of consumer credit. O'Connor (1982) infers that advertising is a manipulative force responsible for commodity accumulation. Wants become transformed into

needs as advertising artificially imposes influences redirecting the focus of consumer purchasing decisions. The economy is adversely affected in the shift from directed savings to deliberate consumption. An analysis of seminal work by Leiss et.al. (1984) and Jhaly (1986; 1987) completes the link between O'Connor's general thesis and the critical analysis of advertising and its impact.³

The advantages of consumer commodity acquisition are stressed in the formulation of an effective advertising campaign. Advertisers and creative copywriters are emphasizing the fulfillment of corporately designated wants and needs, as informed by marketing research, and epitomized in consumption activity (Leiss, 1976). Leiss detailed how advertising and culture was linked in the satisfaction of needs. A 'psychology of scarcity' was associated with social interaction wherein:

individuals encourage each other to believe that failure to procure the means for purchasing certain goods will exclude them from all hope of satisfying the needs which have come to be associated with these goods" (Leiss, 1976:31).

Other affluent or 'pseudo-affluent' members of the population follow these trend setters, in the manner of "keeping up with the Joneses", but at great financial peril. Bankruptcy is a distinct possibility when some consumers conspicuously 'buy' into these ideologies in supporting their desires with borrowed money. The inevitable result is elimination from the system through cutoff of these credit resources.

Advertisers are immediately less concerned with the bankruptcy problem than creating or channeling into consumer demand. The process by which these advertisement placement decisions are made and the nature of the message explains this last point. The marketing concept, depiction of the message and the eventual reception of the product by the American consumer are three vital parts of the process. These elements are common in organized campaigns highlighting the desirability of particular products. Analysis of each component is present within subsequent sections of this chapter on consumer credit advertising.

There are noteworthy issues associated with any analysis of the advertising industry and its impact upon consumer behavior. These factors include marketing of actual produced commodities or credit instruments for the purchase of goods; how advertising projects particular themes; emotional level of commodity or credit instrument advertising; and the targets or particular audience segments selected by advertisers and creative advertising agency efforts. An examination of consumer credit advertising presented in this section emphasizes the differences between selling tangible material items such as automobiles or nebulous multi-purpose instruments which include credit cards, loans and second mortgages. The appeal of each item is structured differently within carefully created advertising campaigns. Each advertised product has certain common features (such as sales

pitch, upbeat message, and story line).

Additionally, the art of advertising has influenced television audience perception and marketing strategies employed by financial institutions. Advertising images created through specifically focused advertising campaigns alter the expansion of services offered by finance companies, banks and credit card companies. Consumer receptibility of credit offered by these institutions encourages additional programs aimed at enhancing already existing services (buyer protection plans, lemon protection laws, price protection plans).

At the same time, consumer decisions create new incentives for the diversification of the consumer credit industry. This analysis will focus upon creation of specific marketing concepts and how the message is structured in advertisements shown on television and contained in magazine copy. A consideration of how consumers interpret the message is a larger question left for a future study.

Rationalization Within the Advertising Industry

Consumer credit, in the form of credit cards, automobile loans and finance and home equity loans, has become a staple in the lifestyles of average Americans. Aggregate consumer credit volume has increased from several million dollars in the early 1960s to \$2 trillion dollars in 1987. This financial figure does not include mortgage loans, which are

counted as long term debt rather than installment credit (Federal Reserve Board, 1987). Additionally, disposable personal income for all Americans was \$3.2 Billion in 1987 and \$13,157 per capita (Statistical Abstracts, 1987).

Americans now had more discretionary income at their disposal in the form of higher salaries derived from professional duties and banking lines of credit. Advertisers tapped into this potential group of willing consumers. Advertising campaigns channeled this spending power into commodities and services promoted by the business sector. Consumer products were actively marketed as commodities that people could buy through purposeful allocation of this enhanced spending power.

The formulation and promotion of advertising campaigns became the responsibility of designated professional agencies. These agencies worked with commercial clients in structuring a public image capable of encouraging increased consumer business. Bensman (1971) pointed out that these advertising agencies operated along bureaucratic and ethical considerations in producing potentially successful advertising campaigns. The resulting campaigns were carefully prepared by teams of professionals working on every aspect of the public relations image: from conceptualization of the original design through consumer research, artist depictions, and final print or filmed displays.

Advertising can serve at least two roles: it can create

new consumer wants capable of conversion into consumer needs or sustain a pre-existing consumer predisposition. These two roles are represented in the critiques presented by Stuart Ewen (1976,1983,1988) and Michael Schudson (1984). Ewen claimed that advertising was an integral mechanism in the emerging consumer society which initially developed in the 1920s and continues through the present time. Advertising played an important role in presenting the American public with new social values oriented toward creating and sustaining consumer behavior.

According to Ewen's argument, capitalist culture depended upon advertising as a vehicle for selling previously nonexistent ideology and lifestyles. Ewen utilized the concept "Captains of Consciousness" in signifying the presentation of ideological assumptions through advertising. A new way of life was projected through the efforts of advertising agencies. Advertising regularly depicted the male as the 'breadwinner', and the women and children as dependent upon commodities made affordable through the efforts of the male role of 'wage slave.' Thus, Ewen would perceive advertising as a prime motivator of increased consumption.

The rationality of the advertising process is based upon either an attempted restructuring of expected consumer behavior or taking consumer predispositions and encouraging particular purchasing decisions. Ewen (1976) believes in the former: that much of the final advertising product promotes

altered perceptions ultimately guiding or manipulating consumer spending choices.

Restructured gender roles are one such example. Women were portrayed as traditional housewives in produced advertising content prior to the 1960s. McGovern (1987) demonstrated how advertising from the early 1900s through 1945 depicted females as happy housewives. Women were placed in the kitchen or cast within maternal roles.

Gitlin (1986) concurs with this view. In his discussion of prime time ideology, he notes how this image underwent transformation into the woman's liberation model. Women had minds of their own and could finally struggle in the work place along with the hard pressed male population. Advertising executives seized upon the family unit as the major social force behind consumer purchasing activity. Social role expectations were carefully structured in marketing particular products among targeted audiences. For example, women of the 1920s were presented with the following image:

In the middle of her mechanically engineered kitchen, the modern housewife was expected to be overcome with issue of whether her "self," her body, her personality were viable in the socio-sexual market that defined her job. ...A booklet advertising feminine beauty aids had on its cover a picture of a highly scrubbed, powdered and decorated nude. The message of the title was explicit: "Your Masterpiece-Yourself." Women were being educated to look at themselves as things to be created competitively against other women: painted and sculpted with the aids of the modern market (Ewen, 1976:197-180).

Marcuse (1964) was influential in framing these and related ideas. Marcuse claimed that these images reflected the formation of false consciousness. Woman's self image was the culmination of results created through owning or using a product. Beauty aids or cosmetics are one such example. In 1986, the beauty industry sold women over \$4 billion in perfume and cosmetics. The male grooming market approximated \$1.3 billion during that same year (Donahue, 1988).

Ewen also examined the institutions responsible for promoting a highly visible consumer identification with commodities. Ewen's discussion of the social historical impact of these media developments includes an interesting observation on the effect of game shows offering merchandise as promotional vehicles. The original Price is Right, not the revival initiated during the 1970s, was a reflection of these trends:

Quiz shows, common fare during the 1950s, produced an imagery of abundance and the easy accessibility of goods. On shows, like the Goodson-Todman production of The Price is Right, the audience was not only treated to a parade of the wares of the marketplace but was vicariously rewarded for internalizing a blend of dependent infantilism and a correct sense of the actual retail prices ("Without going over") of products. Indeed, the tag prices of all kinds of goods had become useful knowledge in a world in which these items were flooding market counters and being touted and screamed over by modern housewives on the TV giveaways (Ewen, 1976:209).

Television game shows have always spearheaded the display of consumer goods as a desirable social image. Many television game shows featured a quest for valued merchandise. Specific programs during the last 20 years included Sale of

the Century (where contestants accumulated points used for purchasing consumer goods), Wheel of Fortune (contestants selected merchandise in exchange for accumulated points), and a Home Shopping game show promising the combination of studio contestants winning prizes and an opportunity for home viewers to purchase the same merchandise.

These programs promote automobiles, vacations, furniture and other consumer commodities. Permeations of consumer commodity orientations are reflected on these programs. A viewer watching The Price is Right notices that the audience internalizes the prices of automobiles and other merchandise. They will shout out prices when on-stage contestants are competing for prizes.

Wheel of Fortune once featured a version of this format. Contestants solved the puzzles with hopes of buying merchandise with winnings from each round and advancing toward the bonus round. New automobiles or other expensive items were offered. Emphasis is now placed upon accumulating cash. The eventual winner can solve a bonus puzzle and win very expensive merchandise.

One might note that this program also marketed the selling of a major media personality. The meteoric career of Vanna White, a television model and letter turner on Wheel of Fortune embodies this worship. The appeal is enhanced with the accommodation of Vanna White's physical appearance. An ongoing promotional campaign once used the slogan "What will

Vanna wear Tonight?" In fact, a more recent advertising campaign further transformed Vanna White into a commodity with "The Wheel Turns. Vanna Turns." The commercial presented several examples of Vanna doing her fashion turn in a backless evening gown. Vanna has become an icon by virtue of her skillful handling of merchandise and pro-social encouragement of contestant aspirations and the relentless publicity about her.

There is an alternative view on this issue. Schudson (1985) notes that advertising created through the collective efforts of corporate teams may not have an instant effect. He emphasizes that advertising is "an uneasy persuasion." Schudson's essential thesis is that advertising agencies make educated guesses and cannot predict the impact of an advertising campaign until its success or failure becomes apparent.

Proponents of this perspective downplay the Svengali-like properties associated with advertising. They often claim that people will not accept imposed value choices. A similar observation was also expressed by a highly placed advertising executive contacted in the formative stages of this report (personal interview, 1983). This individual, former account executive for MasterCard at the William Esty Advertising Agency, expressed the view that advertising does not always work as originally planned. Some campaigns fail when unforeseen viewer perceptions are reflected in consumer

nonacceptance of the product.

Schudson notes that there is a science within the process of selling credit cards (or, as we add here, any form of consumer credit). Advertising agencies sample consumer demand through focus groups (interviewed consumer samples), testing completed commercials through StoryBoard research analysis, and commissioned studies through consumer research organizations.

Educated research is only one step in the process. Schudson has also noted that prior success breeds future success (personal conversation, 1984). One good advertising campaign produced others as reinforcers of the earlier efforts. Some examples of this are discussed later in this chapter. Not only was advertising reinforcing previously existent consumer attitudes, but good advertising was followed by more potent campaigns capitalizing on successes (as in movie sequels like Terminator II which reinforce earlier box office smashes).

Schudson employs a criticism of institutional practices rather than undertaking the social historical analysis employed by Ewen. A strength of Schudson's analysis is shown in an analysis of how credit cards were repositioned for a new consumer market. Women were courted by credit card companies with the advent of the drive for equal economic status. American Express actively recruited women (American Express Company, 1983).⁴ The other major bank credit cards followed

shortly thereafter. The strategy worked because women started using their financial 'clout' gained through more active participation in the work force.

Increased consumer acceptance of credit cards throughout the 1970s was an indication of good advertising campaigns. The advertising campaigns prepared by agencies representing MasterCard, Visa and American Express focused on the changing social roles of men and women. Women were now middle-aged college students, attractive models exuding symbolic economic power or professionals accompanied by male friends and engaged in 'breaking in' a new credit card.

Schudson's point of view carries more credibility than Ewen's argument about the manipulative power of advertising. The American public is not easily influenced by messages running counter to their own personal beliefs. In effect, Schudson's dismissal of the deterministic aspects of media runs counter to the oft-stated claim that the media engages in agenda-setting (or modification of consumer beliefs).⁵ I believe that Schudson's view seems more credible. The agenda-setting perspective can account for some change in public attitudes attributable to media influence. However, the mass media is only one factor in a set of other socializing forces comprising family background, occupational status, and religious influence.

In summation, Schudson and other advertising executives firmly believe that each consumer credit campaign incorporates

a rationality accounting for consumer credit acceptance. Motivation stimulated by already predisposed attitudes prompt consumer desire for a particular credit card or installment financing. The nature of these cultural predispositions and the actual advertising process follows in succeeding sections.

Cultural Influence of Consumer Credit

Consumer credit is solidly based within a wider societal context. An understanding of various advertising campaigns is dependent upon recognizing how consumer credit has transcended a consumer convenience and become essential in everyday lifestyles.

People measure their status according to the numbers of types of cards owned. Randall Collins (1982) indicated that America had become a 'credentialed society' with status attainment dependent upon educational achievement. This status benchmark is exploited for economic profit by the financial industry. An ordinary American Express card, MasterCard or Visa was once a prized possession among many middle-upper middle class professionals. All that is changed with modern advertising campaigns.

The stakes have been raised with the active marketing of the 'American Express Gold Card,' 'Gold MasterCard,' and 'Gold Visa Card.' These 'golden opportunities' offer a higher credit line and more conveniences synonymous with business needs. Additionally, the various gold cards offer 90 day

product protection for commodities purchased with those financial instruments, facilitated car rentals with automatic liability and personal accident coverage, and guaranteed ticket reservations for specially designated events (as initiated by American Express Company).

Some credit advantages are still left reserved for the more economically advantaged. More impetus for rewarding business productivity was provided by the 'American Express Platinum Card.' The platinum card carries an even higher credit line and is underwritten by participating banks. American Express advertises the platinum card in upscale business magazines. The relatively limited marketability of this credit instrument does not warrant allocating (or targeting) some portion of the advertising budget toward mass marketing in the general media.

This information is important because we can see how the credit card industry is continually emphasizing the need for new financial products. A gold card was once perceived as a product reserved for the relatively affluent. But the shifting cultural values prompted by the ever expanding credentialed society has resulted in a democratization of a formerly limited product. Professional and college football games regularly feature commercials emphasizing how the average person can benefit from credit card features. These features were previously marketed expressly for businessmen in higher income categories.

A Gold MasterCard commercial presents a jigsaw puzzle completed with symbols representing flexible airline ticketing, enhanced credit lines, buyer protection and other services. American Express has competing advertisements which stress the yearly financial activity statement provided the Gold Card customers. The service is noteworthy because consumers can still deduct a small percentage of their installment payments and professional expenses on their current income tax forms.

MasterCard, Visa, American Express and Sears (the Discover card) are four major marketing organizations engaged in the distribution and promotion of widely held credit cards. Visa, MasterCard and American Express were in operation far longer than Sears' Discover Card. The upcoming analysis will feature all four, with the Sears introduction of the Discover card within the past eight years as particularly indicative of evolving trends among all three credit card operations. The next few sections highlight how these new cultural images were actively formulated through skillful media efforts.

Analysis of the 1983 Visa Campaign

The stage for these repositioned credit card industry services was set by important changes over the last decade. Advertising structured these changes as a total package. The process begins with a theme and subsequently incorporates consumer research, particularly selected marketing goals and

objectives, and execution of the actual creative strategy. The following descriptions of specific advertising campaigns illustrate these points.

Visa, formerly known as BankAmericard, repositioned (or created a new public appeal) for their product through formulation of a new name and a strongly enhanced consumer image. Visa, Inc. devised a 1982-83 advertising campaign around the theme "You can do it, We'd like to help." The campaign included national television, radio and magazine advertising. The Visa consumer Marketing program (1982) projected that 'over 95 percent of the Visa target audience will be exposed to the new campaign with each consumer seeing and/or hearing Visa advertising an average of 35 times during the year-a total of nearly 2.5 billion advertising impressions.'

Major campaigns such as the Visa effort are created after careful market research. An interview survey consisted of 459 qualified respondents (\$25,000 and over, bankcard owner) in 20 metropolitan areas. People were asked about which credit cards would most likely be used by a person with certain characteristics (i.e., often eats out at the best restaurants, shops in specialty more than department stores). Research indicated that Visa was perceived as more appropriate for 'luxury/business' purchase decisions, while MasterCard and Visa were perceived as more appropriate for 'home and day-for-day' purchases. Visa was generally preferred 1/2 to 1 over

MasterCard and more than 2 to 1 over American Express for average purchases.

Researchers also examined changing consumer economic and personal attitudes. Visa's analysis observed that baby boomers were entering their peak earning years, the number of working women is at the highest level and still increasing, and an emerging "superclass," consisting of two-income couples with no children (often characterized as DINK) appeared. Husbands and wives have professional-managerial jobs in this category.

In the personal area, there was a pronounced trend toward higher education, with 50 percent of college graduates being 25 or older. Greater access to information resulted in more sophistication. The 1982-3 analysis caught the trend toward more traditional values, as reflected through the maturing of the post World War II generation. People were marrying at a later age or remarrying in their 20s and 30s; therefore they were less likely to divorce, and therefore strengthen America's social structure.

As a result of this extensive research, the marketing goal was to 'improve Visa's position relative to MasterCard and American Express.' Marketing objectives for this purpose included strengthening quality image, reinforcing selection of Visa by dual owners (those people possessing MasterCard and Visa-termed duality by professionals in the credit card

industry), increase personal and business usage, foster selection of Visa by non-owners, and stimulate substitution of Visa products instead of competitive T&E cards and cheques. The overall key thought underlying this campaign was that 'Visa products can be an important part of the things in life which give Visa prospects the most personal satisfaction.' This was accomplished through music, lyrics and imagery. The marketing program claimed that, "the aim of the new campaign is to create a strong, positive emotional bond between the consumer and Visa, and to encourage a preference for Visa products.'

The television advertising focused on other aspects of the striving toward fulfillment of our aspirations. Two 60 second commercials and three 30 second commercials, of which two of the 30 second commercials are abbreviated versions of the sixty-second versions were produced. A third 30 second commercial is completely different.

These advertisements presented three situations. The consumer marketing program lists the 'stories' as (1) a woman in her forties entering college, overcoming the difficulties, and succeeding; (2) an American couple traveling in Italy and experiencing minor problems while trying to learn the language, and then finally becoming comfortable with it; and (3) a family of 4 buying a very rundown boat, making the necessary repairs, and sailing off.

Each television commercial features the following music

'bed.' The lyrics are as follows:

You can open up your world and let it shine. You can do it.
 You can squeeze that extra something out of life. Yes you can.
 You can set a goal then do it, add you own style to it.
 It's your world. It's your life. It's your time.
 Every minute-you can do it. Every day-yes you can. You can grow in your own way.
 You can do it, and we'd like to help.
 You can do it.
 You can set a goal then do it, turn your spirit to it.
 It's your world. It's your life. It's your time.
 Every minute-you can do it. Every day-yes you can. You can grow in your own way.
 You can do it, and we'd like to help.

The theme music is overtly suggesting that consumers can set a direction for their lives and live out their dreams. The Visa corporate image is projected as offering help for frustrated consumers in an achievement-oriented society.

The theme is visibly presented in three separate 'stories' as contained in two 60 second and one 30 second commercials. The first, entitled "Back to School", begins with a quotation attributed to William Arthur Ward: "If you can imagine it, you can achieve it. If you can dream it, you can become it." The actual structure of the advertisement features the wide shot of a college campus. A middle-aged woman is shown carrying her books into a classroom. A mature college professor is lecturing in front of the room. The next shot depicts the student on a bookstore line, with the Visa logo prominently displayed on the front counter.

Our focus then returns to the college classroom. The professor makes a point, calls on the woman, and then smiles

in approval after her reply. At home, the student is writing a term paper while consulting with her husband. The scene finally shifts back into the classroom. The student is taking an examination. In the last sequence, the professor hands back the term papers. The student is surprised as she apparently receives an "A." She is then surrounded by younger students in jubilant celebration.

The second commercial is a sixty-second spot entitled "Europe." The commercial begins with a quotation attributed to Christopher Morley, "There is only one success..to be able to spend you life in your own way." The drama begins with two American tourists asking directions. They are then shown seated in an outdoor cafe ordering dinner. The waiter brings them a raw eel on a plate. In the next scene, the couple is riding on a train and asking a question of a nearby couple. A language barrier is evident. The sequence then depicts a financial transaction with Visa travelers cheques understood as a common language. Finally, the couple orders something off a foreign menu. Dinner is served as they had ordered and both people celebrate a successful effort.

In the third and last commercial, "Houseboat" was presented as a thirty-second ad. A family is show walking along a dock. They surprise the wife and mother with a rundown boat. The family goes shopping for accessories and then cleans up the craft while experiencing a few minor problems, such as the husband getting doused by a pail of

water. Finally the curtains are hung and boat, now renamed 'WEEDIDIT' is afloat as a recreational vessel.

Each commercial expresses the fulfillment of deep felt social desires. A woman finds success in a college English course, a married couple encounters language barriers while touring Italy, and a family repairs the rundown boat and sails off into the sunset. These commercials depict the desire for personal freedom and conceptualization of dreams envisioned by most consumers.

Magazine ads during 1982 featured inspirational quotations along with the following advertising copy:

Wherever you go, whatever dream you follow, we'd like to help.
Thanks to you, Visa is the most accepted, most widely used name in the world for travel, shopping, and cash.
You can do it. We'd like to help.

Four colorful settings were presented. One setting featured a male fishing at dawn in the middle of a picturesque lake. The quotation, attributed to Christopher Morley, read "There is only one success..to be able to spend your life in your own way." Individuality and freedom of choice are clearly the overriding themes. In the second print ad, two people are setting up camp in the midst of a forest with snow covered mountain peaks in the background. The quotation, attributed to Thomas Huxley, read "For every man the world is as fresh as it was the first day, and as full of untold novelties for him who has the eyes to see them." The forest symbolizes a spiritual awakening in the context of a conformist society.

The preferred image of achievement and a pioneering spirit is represented in a personal search for identity.

The last two print ads featured other targeted social groups. Whereas the first two ads featured a solitary man and a couple, the other two depict a couple with their infant daughter and a practicing ballerina. The couple and their infant daughter are shown strolling on a tropical beach with palm trees and the surf in the background. The family is walking along the shoreline. The quotation, attributed to Alfred Lord Tennyson, reads "So many worlds, so much to do' So little done, such things to do." The last ad shows a ballerina practicing a high kick. Her eyes are closed and arms extended in a studio devoid of all furniture but a chair with a towel hanging over its side. The quotation, attributed to Robert Louis Stevenson, reads "To be what we are, and to become what we are capable of becoming, is the only end of life." These ads are suggesting that we are forever busy in our own worlds seeking accomplishments. The dream of achieving our goals is often proven illusory or deemed unrealistic in a highly competitive society.

MasterCard and Marketing the 'Possibilities'

MasterCard was the leading credit card company until the introduction of Visa. The eventual product known as MasterCard was the result of a name change from the original MasterCharge. Galonoy (1980) has traced its origins back to

the Interbank Corporation and its California affiliates back in the 1960s. MasterCharge was not firmly established as a popularly utilized credit card until William Esty Company, a prominent advertising agency, was awarded the account in 1964. The Interbank Corporation acquired MasterCharge as a trade name and initiated successive advertising campaigns.

According to a well placed advertising executive formerly with William Esty, the original emphasis was placed upon the utility of MasterCharge as a shopping aid. Thus, an early ad featured the slogan, "Relax, you've got MasterCharge." One of the magazine ads depicted a husband waiting for return from an evening excursion while another pointed out the dangers of urban crime and the liabilities of carrying cash rather than 'plastic money.'

Further campaigns over the next twenty two years featured a shift from emphasizing the utility of the credit card as a modern social convenience to a focus upon demographic changes and the ways in which the MasterCard could enrich our lives. A particularly successful campaign was launched in the early 1970s, at the height of the Women's Liberation movement. The slogan was 'When you carry MasterCharge, you carry Clout.' An attractive model was seen holding up a MasterCharge card. Laser beams were emanating from the card, indicative of the inherent power of the financial instrument as a weapon enhancing social status. Women were seeking social recognition during this time period. This particular campaign

coopted that ideology in an attempt at harnessing some of the new found financial power.

Visa (formerly called BankAmericard) entered the marketplace as an active competitor during the late 1970s. The MasterCard organization realized that they needed a more powerful appeal in competing within the same international markets. As a result, MasterCard changed its name to MasterCard. The credit card was not an all-purpose instrument encompassing more than retail services. MasterCard diversified in the early 1980s. The company's advertising campaigns now featured the slogan, 'MasterCard and Me-we can do it all.' The consumer was told that MasterCard could provide a diversified number of services. Subsequent advertising campaigns would feature early versions of the current 'Master the Possibilities' emphasis.

A series of commercials featured well known celebrities utilizing the MasterCard. Christy Brinkley, the fashion super-model, was shown a new dress (MasterCard, find me a bargain) while other commercials emphasized various commodities. James Coburn, the motion picture actor, was seeking luxurious vacation spots. Pierce Brosnan, formerly the star of Remington Steele, was seeking a paradise away from civilization and Shari Belafonte-Harper desired a furnished apartment (MasterCard-find me some furniture).

The William Esty advertising agency, in conjunction with the MasterCard organization, followed their success with a

series of commercials wherein celebrities interacted with ordinary people. One spot featured an elderly woman sitting next to James Coburn on an airplane. Her statement implied that his search for luxury was merely a reflection of invidious consumption (Veblen, 1910). She claimed that an average person could use the credit card for purchasing wool. A follow-up of the Christie Brinkley commercial featured an average woman seeking the same dress worn by the fashion model. The message consisted of the argument that an average women could dress like a super-model if she used the same credit card.

A subsequent 'Master the Possibilities' campaign followed from these previous efforts. Angela Lansbury, Robert Duvall, and the late Jackie Gleason emphasized that they used the card because it served their needs. Lansbury claimed that the card could take her where she wanted, Duvall reinforced the idea that the card was useful in his daily affairs, and Jackie Gleason flaunted his flamboyant lifestyle.

This new campaign was aimed at establishing the potential of consumer credit for expanding our horizons. It should come as no surprise that the appeal of the current commercials is a subdued version of the 1983 Visa commercials. The advertising agency and MasterCard executives are clearly

viewing the credit card as a necessary adjunct toward adding further fulfillment within our everyday lives.

The marketing emphasis eventually changed by 1986. The credit card industry showed stagnation when most adults eligible for a MasterCard, Visa, American Express card and other minor cards already had made their choices. MasterCard, Inc. perceived the need for increasing sales through broadened promotional efforts. American Express Co. had just introduced the Optima Card. This instrument would provide installment terms for people already eligible for the American Express Gold Card.

First, the advertising account was removed from the William Esty advertising agency. The agency had encountered limited corporate growth and could not provide diversity or additional attention sought by MasterCard, Inc. . Barton, Batton, Dane and Osborne (popularly known as BBD & O) was given the multi-million dollar account.

Second, MasterCard, along with Visa and American Express, targeted college students and housewives as recipients for their credit cards. These groups either could not qualify under previously rigid income or employment experience criteria or did not actively seek out a credit card.

Third, Russell Hogg, corporate executive officer for MasterCard, Inc. since the early 1970s, announced his retirement. The product had a broader consumer and business clientele by late 1987 and Hogg felt that he could pursue other business challenges (Cable News Network, 1988). The new corporate official then worked closely with BBDO toward

fashioning the Gold Mastercard as an alternative for the American Express Gold Card. The stakes had shifted into marketing a more prestigious product among the massive consumer sector.

Lintas subsequently assumed and further developed the image created by William Esty and BBD&O. 'Master the Possibilities' was transformed into 'Master the Moment.'⁶ The produced television commercials included an emphasis upon buyer protection plans incorporated by the MasterCard Gold Card. Advertisements showing how a computer accidentally dropped down a flight or stairs or a camcorder dropped into a monkey cage were replaced by merchants honoring the MasterCard Gold Card. The most fascinating advertisement in that series featured a woman flying to Australia on the spur of the moment to visit her pregnant sister. The teleplay focused on the woman as she charged her airline tickets and secured a car rental. The outcome was depicted as a touching scene wherein the two sisters warmly embraced one another.

Two other commercials produced within the same advertising campaign demonstrate how a MasterCard can change the lives of ordinary people. In one interesting advertisement, a young man is looking for his first apartment. He decides upon a dingy apartment after seeing an attractive woman exit from a nearby apartment. The young man takes a MasterCard and charges furniture, draperies and other kitchy items for an original atmospheric effect. The young woman comes to dinner

and exclaims, "This is definitely you."

A second commercial was more appropriate as a nominee for the Soap Opera Awards than a credit card advertisement. A credit card succeeds in solving life's tough problems. A couple are discussing their probable future. The young woman explains that her employer is transferring her to Chicago. The young man continually ponders the loss of his significant other. Finally, he enters a jewelry store and picks out an engagement ring. The young man presents the ring to his girlfriend and everyone lives happily ever after.

MasterCard changed its advertising again after encountering a cultural economic image problem faced by various credit card companies. The materialist economic trend favoring conspicuous consumption in the 1980s shifted in the direction of practical financial responsibility in the 1990s. According to Elliot (1993), MasterCard's "Master the Moment," wherein conspicuous consumption was the prominent social attitude, was ineffective during times of massive consumer debt and economic retrenchment. Visa International and Discover were cutting into the MasterCard market share with exclusive events accessible through the Visa Card ("Visa-it's everywhere you want to be") and Cash rebates (commercials emphasizing a one percent cash return based upon yearly purchases).

The new marketing campaign emphasized the slogan "MasterCard. It's More than a credit card. It's smart money."

According the MasterCard affiliate marketing material:

This is not just a new theme line, it also happen to be a good one. Because it gives MasterCard a quality people aspire to: feeling smart. They'll feel smart for owning the most useful card, and they'll feel that MasterCard is smarter to use than other credit cards. By using the word "money," the new advertising theme line also makes people feel that MasterCard is more convenient to use than cash. And more responsible. Even...smarter.⁷

MasterCard's statements in the press reinforce the marketing theme. According to Peter S. P. Dimsey, President of MasterCard's United States region in New York, "We're dealing with a consumer who's looking at credit cards differently. Not as a passport to the good life, as it was in the 80's, but in the ever-expanding utility of the card." James Desrosier, vice president of advertising at MasterCard stated, "We call it usefulness, because that's the customer's language. It's useful to take a card to a supermarket or to an automatic teller machine. That's an incredibly relevant message."⁸

The commercials are aimed at making the "utility aspects of prosaic plastic interesting."⁹ The celebrity spokesman is Rob Morrow, the actor who portrays Dr. Joel Fleischman in the hit CBS series "Northern Exposure." Rob Morrow serves as the voice-over announcer in the television and radio commercials. The commercials themselves feature Rob Morrow's delivery of "discursive stream-of-consciousness monologues that manage to sound hip without being arch and clever without being coy. His urbane quirky attitude is reinforced in the television

spots with camera shots that are often literally and figuratively off center."¹⁰

The first advertisement is entitled "Supermarket." The advertising copy is presented as follows: "You know those credit card commercials where they tell you to jaunt off to someplace with crystal clear water" (beach scene) "and really strange fruit and don't bother packing because you can charge everything once you get there?" (a couple in beach attire) "This isn't one of them, OK?" (TV set just turned off) We're taking our MasterCard to the supermarket. How's that for exotic?" (closeup of a MasterCard) "Now that you mention it, I guess it is kind of exotic" (low level shot of a shopping cart) "I mean, you've got a MasterCard, and they've got the fruit, right? What's a kumquat? Whatever it is, they're five for a quarter" (shot of a disembodied hand spraying kumquats) "You want crystal clear water? They have aisles full of it. And now no card is more accepted on the planet, including supermarkets" (shopping cart gliding past a long aisle of bottled water) "So you don't have to worry about exact change or losing your receipt or whether you even remembered to record how much your check was for in the first place" (a female cashier mouthing the voiceover narration) "It's just another smart new way you can use your MasterCard. Only when you get your statement you won't have a conniption" (shopping cart traveling through the store) "You just have a record of your grocery spending for the month" (closeup of a MasterCard

statement itemizing grocery purchases) "And a couple of kumquats" (grocery clerk packing the purchases while holding the Kumquats and mouthing the voiceover narration) "MasterCard. It's more than a credit card. It's smart money" (closeup of a MasterCard).

The interesting aspect of the above commercial is the postmodern quirkiness. An emphasis upon everyday life events (usefulness is the hook that MasterCard employs in demonstrating how credit card utility in everyday life is more practical than the other exotic credit card images) starts with Rob Morrow, whose character image on Northern Exposure is that of a reluctant New York doctor reluctantly working in a provincial Alaskan town. The camera shots emphasize the ordinary aspects of grocery shopping. Additionally, the sequences where the cashier and grocery clerks mouth the words bring the viewers more fully into the interaction.¹¹

A second advertisement is geared toward "repositioning" (or establishing) the utility of the Gold MasterCard. The commercial is entitled "Parents": "This is a Gold MasterCard, OK? sure it's got a credit line of at least five thousand dollars," (close-up of a Gold MasterCard) "but it won't settle any unresolved issues from your childhood." "family gathering for a dinner in an upscale restaurant) "Well...maybe it could. I mean no gold card is more accepted on the planet," (an elderly mother type sitting down at the table) "so you can take your parents to dinner practically anywhere" (close-up of

a father-like male) "and say, "Mon, Dad...You raised me. I owe you a steak." (a woman toasting her parents) "And it might be smart to buy them a grandfather clock to replace the one you demolished when you were eight." (workers wheeling in a grandfather clock wrapped in a large red bow) "And if this one gets broken, the MasterPurchase Plan will replace it." (mother type woman is smiling) "So I guess a Gold MasterCard could resolve some childhood issues. Wow. (young woman is smiling) "Gold MasterCard. It's more than a gold card. It's smart money" (close-up of a Gold MasterCard).

The Gold MasterCard commercial is tapping into human feelings. A person can make symbolic restitution or heal family conflict with the aid of the credit card. The postmodern emphasis upon the interlink between culture and economic interests clearly is reflected in the above teleplay. Spending money and charging the purchases on a credit card incorporates a practical usefulness beyond the pursuit of conspicuous consumption.

Both advertisements create a distinct personality for the MasterCard brand. According to Steve Apesos, marketing director for MasterCard International:

The commercials promote both MasterCard regular and gold cards under an umbrella approach that is decidedly different than any other credit card advertising. All spots use the same voice-over, branding device, personality and tone. MasterCard's mainline product commercials focus on the everyday utility of the card and the new places and ways the card can be used. By contrast, Gold MasterCard commercials focus more on the card user and convey a more relaxed and confident user image while imparting key information about gold-specific

benefits, services and features.

In addition to the central message, the narrator's voice and easygoing language will help create a distinct image and personality for MasterCard. The voice of Rob Morrow, star of CBS's award-winning "Northern Exposure" series, begins each commercial by telling the audience that a credit card can't really change your life but then he slowly reconsiders until he decides that, maybe, the right credit card-like the right tool-could help you in lots of ways to be a little smarter in managing your everyday financial needs.¹²

The MasterCard is useful for more than a few purposes.

One radio spot facetiously concentrates on how a MasterCard holder can obtain a better job while the second focuses on how to meet women. The ad copy almost speaks for itself:

"Better Job": A MasterCard is a tool, OK? It's not a degree or a diploma or a membership in the cultural elite and it doesn't make you more qualified to do anything-It certainly can't get you a better job.

Well actually...on the other hand, maybe a MasterCard could help you get a job. I mean, no card is more accepted on the planet than MasterCard, and MasterCard's concise monthly statement is a smart way to keep track of your spending, so if you have one, you could say on your resume, "Managed Finances in Conjunction with a Major International Business Entity." And that would be the truth, which is something you don't find too often on a resume.

And MasterCard is a great way to build a solid credit rating, which is important if you ever want to buy a car or a house or an engagement ring-not that you're ready to make a commitment right now-it's just that a credit rating might suggest ambition and sense of

direction, and human resources people just melt when they meet someone with ambition and direction.

So I guess maybe a MasterCard could help you get a good job. And If you stay there at least 3 months, maybe I'll get a finder's fee.

MasterCard. It's more than a credit card. It's smart money.¹³

"Meet Women": Let me explain something here. A credit card can't make you more desirable, OK? It's a tool. MasterCard could help you develop a good credit rating, but it's not going to help you meet women.

Actually, uh...maybe it will. I mean, no card is more accepted on the planet than MasterCard, so you could buy an unbearably cute golden retriever puppy. I mean, those things aren't dogs, they're magnets. You get him a bandanna, throw him Frisbee and yeah, maybe MasterCard will help you meet women.

And now, no card is accepted at more supermarkets than MasterCard, and everyone knows the supermarket is a great meeting place, so if you see someone using a MasterCard to pay for groceries, you could say, "I noticed you're buying groceries with a MasterCard. Is that because the monthly statement is a smart way to keep track of your spending, or because you don't feel like hassling with cash?" And as long as she doesn't say that, "No, I buy my groceries with MasterCard so I won't have to spend as much time in line with creeps like you", you're in good shape.

If she does say that, I would suggest you do what I always do, which is make a mental list of all the reasons why she wasn't right in the first place, and take the dog for a walk."

MasterCard. It's more than a credit card. It's smart money.¹⁴

Both radio spots elaborate on an invented usefulness associated with the MasterCard. Obviously, the television and radio commercials are creating frivolous situations. But the key lies in how the audience perceives the connection between the cultural acceptance of a credit card and the actual economic advantages offered by the MasterCard program. According to Duncan Pollack, executive vice president at Ammirati, "By talking in an earnest, light-hearted, down-to-earth way, the advertising is almost self-effacing, taking the hyperbole of traditional credit card ads and turning it on its

head. That enables consumers to put down their barriers, open their ears and begin to listen to MasterCard. And the message is, you're going to be smart for choosing and using MasterCard."¹⁵

American Express: From Paranoia to Americana

The American Express Company was the pioneer by which the other companies sought to emulate. The American Express card was established in 1958 as an auxiliary travel aid accompanying the travelers checks service. Most American Express advertising campaigns from the early 1960s through the early 1980s emphasized the extensive travel services that people could obtain through the card. Travel insurance, emergency cash advances, and security were some of the more prolific foci of these campaigns.

The campaign was basically an offshoot of the popular American Express travelers checks commercials featuring Karl Malden. The commercials would regularly feature people losing their cash or becoming the victims of criminal assailants. Each commercial would end with these stern words. 'What can we do, what can we do.' People would then consult an American Express employee and attain instant cash reimbursement. Karl Malden then reminded the viewers of the following: 'Don't let this happen to you. American Express travelers checks-don't leave home without them.'

The credit card commercials carried the same appeal. The card was promoted as a status symbol for the business clientele. Worldwide travel services were emphasized in a focus upon dining, hotel bill payments, and security. Like MasterCard, American Express changed with the times. The passage of the Equal Credit Opportunity Act in 1978 produced new American Express initiatives toward seeking out women as potential customers.

Men and women would meet in the context of family outings, business lunches or casual meetings. The female would pay the check using her newly acquired American Express Card. One commercial, emphasizing the singles dating scene, depicted a conversation between two members of the opposite sex. They would offer small talk between each other while hoping that the other partner found them attractive. Thus, we would hear comments like, 'you can pick up the tab next time' uttered by the female and a silent 'I'm glad there is a next time' flashing through the mind of the male.

The American Express Card division sought its own identity in the early 1980s. The campaign theme was 'American Express Card-part of a lot of interesting lives.' This series of commercials featured everyday people going about their lives and utilizing the American Express Card. Businessmen, housewives, and average families utilized the card in traveling, shopping, or restaurant dining. A later version of these commercials featured Dick Rutan and Genia Yager, two

explorers famous for flying around the world without refueling. The American Express card is prominent in their lives as a vehicle for travel, dining and meeting hotel expenses.

American Express shifted the focus of their ad campaigns several times over succeeding years. A 1991 advertising campaign featured the American Express card turning up on airplane tails, a bridge between a putting green and the fairway, and beside a businessman as he paid for an expensive working dinner. The commercials basically emphasized the utility of American Express cards as an asset while consuming leisure time activities, traveling to another city for business conferences, or wining and dining clients.

The print ads reinforced the major theme. One print ad featured a well decorated gentleman wearing the American Express card as one of many medallions. The inscription is: "You're not about to wear your financial savvy and stability on your sleeve. There are other places." A second print ad depicted an upscale woman contemplating the purchase of an expensive artwork. The ad copy emphasized the familiar impulse buying facilitated by American Express and other credit cards: "Buy what you want to buy. And no bankcard is going to stop you with a limit set long ago. You know what you can afford. You just want to be trusted. You're a responsible person. Most of the time."¹⁶

Unfortunately the new advertising campaign was not successful. American Express lost a great deal of market share due to the enhanced competition with A.T.&T, other affinity cards and the downscaling of consumer purchases following major debt problems. The A.T.&T Universal Card and affinity cards offered the same credit privileges as the more established major credit cards. As a result, consumers found themselves rejecting a standard credit card in favor of a card representing their favorite organization or sports team.

The heightened competition for credit card customers and growing consumer debt from credit cards and other forms of consumer credit led to a reformulation of the American Express advertising campaign. American express turned to other advertising agencies in reformulating their overall approach. The new campaign rejected the postmodern images portrayed in American Express as a force behind everyday business accomplishments. The new focus was on interesting people, harking back to the campaign wherein the Amex Card was a part of many interesting lives. Owners of The Body Shop and the Union Square Cafe, two trendy business operations, spoke about concerns for the environment and starving African people (The Body Shop) and cooperation in HarvestFest, a program where surplus food is distributed to homeless people (Union Square Cafe). The card is never mentioned. But American Express is demonstrating that these are two socially conscious business

that accept the American Express card in everyday transactions.

The 'Dawn' of Discover

A new credit card was actively marketed with a major advertising campaign initiated in January 1983. Sears, Roebuck and Company initiated distribution of the Discover Card. Sears found itself in a difficult position. Their retail outlets were already accepting the Sears card and the American Express card. However, Sears was losing retail volume in competition with other leading merchants. The Sears card was underutilized and scarcely returned a profit. The store did not charge an annual fee and the 21 percent installment charges were not sufficient for the low customer volume. American Express, the other card utilized in Sears stores throughout the country, actually cost the outlet major profits. The merchant fee were approximately 3 percent of each purchase, the highest among Mastercard, Visa and other accepted cards.

The credit card was administered by the Greenwood Trust Company. Greenwood was a banking entity within the Sears Financial Group. Other components of the group included financial planning (Dean Witter), Caldwell Banker (real estate) and H & R Block (tax specialists). Sears thought that establishing a major financial apparatus would eventually result in major financial gains. As indicated in the chapter

on retailing, the major department store chains failed in predicting the establishment of significant competition and worsening economic conditions.

The initial campaign was timed for maximum exposure. Sears placed several major advertisements during the 1983 Super Bowl. Additionally, a newspaper insert was distributed during the same weekend. The actual television commercials depicted americans at work and play throughout the United States. Americans were shown at family gatherings, softball games, individual activities, and other social events. The campaign slogan stressed 'the Dawn of Discover.' A jingle emphasized that the Discover Card 'would put money in a whole new light.'

The Discover Card floundered for the first few years. The period between 1983-1988 marked a rough maturing process. The Discover Card did not apparently expand Sears' reach in the consumer market. Americans actually applied for the Discover Card. Greenwood Trust Co. reported million of applications after the first few months. The card offered accompanying features that included automatic investment in a generously paying money market account and a cash back incentive. Consumers using the card qualified for a 1 percent rebates as reimbursement of accumulated purchasing volume after each year.

Unfortunately, the 21 percent installment charges were not very popular. The low purchasing volume was marked by lack of

Discover Card profitability in another area. The Discover Card did not require an annual fee of \$15-\$30 for card ownership. Finance charges and annual fees are the traditional profit making devices for the mass distributed credit cards.

Americans were still habitually using American Express, Visa, and MasterCard. Additionally, American Express introduced the Optima card in 1986. The Optima Card was intended for competition in the same market as MasterCard and Visa. The market was already flooded with millions of MasterCards, Visas, American Express Cards, and other department store and minor credit cards. The credit card industry was already hard put for locating additional individuals interested in accepting other available credit cards.

The Discover Card finally made \$80 million in 1989 (American Banker, 1990). Earlier reports were already indicating that the Discover Card was having an impact on the already glutted credit card market (American Banker, 1989). The combination of rebates and free membership was responsible for the spectacular success (Blank, 1989). Sears was also seeking out more merchants interested in accepting the Discover Card. According to published sources, Sears established a contest promising a prize for the millionth merchant accepting the card (Shoultz, 1989).

Sears had 31 million credit cards in circulation by 1989 (Kantrow, 1989). But a subsequent survey indicated that the Discover Card was losing ground by the following year (Kantrow, 1990). Sears previously countered this trend by charging an annual fee in Wisconsin and North Carolina (Weiner, 1988). The Discover Card also won the card process contract for Florida Burger Kings (Kantrow, 1989).

Sears made some headway with a new advertising campaign initiated in 1990. They emphasized the million of dollars in cash rebates paid out to Discover Card users. The campaign may have produced some immediate results. But the financial outlook still seemed rather pessimistic.

New developments emerged in early 1991. Credit card industry rumors indicated that Sears might drop the Discover Card. Sears applied for a Visa card franchise in April (Fitzgerald, 1991; Kantrow, 1991). But MasterCard immediately filed suit claiming the potential creation of a monopolistic situation. Sears resolved the suit by postponing acceptance of Visa cards until the Discover card was sold to another financial corporation.

Conclusions

O'Connor (1982), Harvey (1979), and Schudson (1985) would endorse the view that shrewd marketing of credit cards enhanced the distribution of commodities. People now had more 'bang for the buck' as their economic possibilities were

broadened. Advertising is seen as a potential manipulation of American consciousness if we accept this premise. In essence, banks are allied with credit card companies in promoting the sale of merchandise and consumer services. People are seeking economic and social approval while becoming molded by a slick advertising effort.

Advertising played a significant part in shaping our consumer consciousness. Perhaps Ewen was right in pointing out how we are a product of the culture. Several questions remain in this regard. How are we affected by this increased spending activity as generated by these marketing efforts? What are the economic implications as posed by this drive toward more consumer or cultural capital accumulation? And finally, can the business community anticipate the economic cycles created by perceived consumer commodity needs under control? These questions are answered in the remaining chapters on retail companies and the cultural economic impact of federal legislation that altered bankruptcy law.

Notes

1. Information cited by Mandell, 1990.

2. Bryant, 1992, p. 13.

3. Leiss, et.al (1984), along with Jhally (1986, 1987), claim that advertising satisfies particular consumer needs. Advertising imagery, as seen from the more recent postmodern perspective, deconstructs or decodes the meaning behind the images.

4. American Express Co. released a booklet on women and consumer credit shortly after the passage of the Equal Credit Opportunity Act. The purpose of such a booklet and the inclusion of women as credit card holders centered around the need for increasing the numbers of people owning and actively using consumer credit.

5. Further background on agenda-setting is contained in a symposium published in the Journal of Communication, Spring 1993, Volume 43, No.2, Pages 58-127. The specific articles are: McCombs and Shaw, 1993, Pages 58-67; Rogers, Dearing, and Bregman, 1993, Pages 68-84; Edelstein, 1993, Pages 85-99; and Kosicki, 1993, Pages 100-127.

6. Information relayed by an account executive at BBD&O in a 1992 telephone interview.

7. The affiliate marketing package also mentions that there is pronounced consumer resistance against taking on new debt or accepting a new credit card. The copy in the MasterCard material appeals to these concerns: "Suppose this new ad campaign told people something useful. Something relevant. Something that made them feel smart. Would it really make them do anything? Like apply? Or use masterCard more often? No question about it.

The remainder of this appeal reads as follows:

Accomplishing this requires engaging an audience that would rather not listen. Breaking down the barriers of people who are wary of credit card messages, but who still want to feel in control of their cards.

How do you advertise to people armed to resist you?
Simple. You dis-arm them.

First, you offer them something meaningful. Such as the security of knowing MasterCard will be accepted practically everywhere they go. You tell people about

a new way to use MasterCard. Or a new place they can use it.

Then, you speak to people in a way that gets them to loosen up. Because that's going to make them more open to hearing your message. Which is simply this:

MasterCard is the most useful credit card. A claim no one else owns. No card offers people a greater "bundle" of benefits. Useful ones. From the confidence of unsurpassed acceptance, to the security of purchase protection and extra travel assurance. Usefulness is what people are demanding from their credit cards in the 1990s. Or, expressed another way, value. Actually...there's another word that comes to mind which perfectly describes a credit card this useful: smart. Yes, smart.

8. As reported by Elliot, 1993, D7.

9. Ibid.

10. Ibid.

11. The moving statues and vocal narration at the fountain in the Forum Mall, Caesar's Palace, Las Vegas, Nevada fulfills the same purpose.

12. Marketing material obtained from MasterCard International, February 1993.

13. Ibid.

14. Ibid.

15. The quotation is derived from Elliot, 1993.

16. Print ads furnished by Ogilvy and Mather, American Express's former advertising agency.

Chapter Five

Commodity Distribution Networks

Introduction

The production of consumer goods is only the first step in a more complex process. Industrial firms can realize a financial gain if these goods circulate and produce economic profit. An ongoing supply and demand continuum dictates identification of a market appropriate for a given product. Unlike the Fordist mode of production, potential consumer appeal or demand is assessed before initiating production of the product. Production is accompanied by promotion (e.g., advertising) and distribution. Public acceptance of retail credit is encouraged through a number of socio-economic developments. Consumer tastes and economic conditions directly affect the retail sector.¹ Overall economic growth is documented through changes in consumer behavior. Changes in product distribution are facilitated by advanced technology and consumer endorsement of alternate purchasing modes. Entrepreneurs exploit varied marketing alternatives created through advances within the retail field. Automatic teller machines (ATMs) and computerized credit card systems represent several of the technological developments prompting the growing sophistication of retail credit distribution systems. The introduction and the simultaneous cultural acceptance of

new information technology systems impact upon economic production systems and distribution. Retailers rely upon a combination of on-site department store sales, catalogues and home shopping services in attaining the desired product distribution. Advanced technology within the above distribution modes is rendered more effective through the expansion of flexible specialization and niche marketing for marginal products.

Commodity distribution trends are essential in tracking effectiveness of niche marketing strategies. Economic reverses among affluent customers in upscale department store and boutiques and average consumers in department stores and shopping malls explain downturns in the business world. These upper scale stores always depended upon the affluent for the continuance of conspicuous consumption behavior. For the first time in several decades, department stores appealing to upper scale consumers are suffering the same fate as department stores catering to middle class interests.

Retail volume was traditionally concentrated in the on-site department store emporiums. More recently, retailing establishments are divided between the traditional department stores, the so-called boutiques specializing in particular items, and the discount chains. Boutiques, on the other hand, offer specialized selections which are sometimes unavailable in department stores. Boutiques embody niche marketing, wherein the shops are devoted to selling clothing, specialized

foods, or even condoms.

The average consumer is offered alternative choices in the form of discount retail shopping outlets. The competitive factor is significant because the smaller stores can lower prices while stimulating sales volume. Such stores as Nobody Beats the Wiz (a prominent record and electronics chain in the New York Metropolitan area) significantly reduces department store business.

The current chapter examines trends in department store patronage by consumer groups, impact of structural changes within the retail market, and the cultural forces responsible for consumer acceptance or rejection of subsequent retailing innovations. Consumers attribute perceived gratification or meaning to particular objects. Everyday portrayal of consumer objects as commodities with experiential references is mediated by advertising and subjective classification.² Retailers act as facilitators between the industrial sector (producers) and purchasers of the intended consumer goods (consumers). The development of new retailing technologies and the impact of niche marketing are important factors in explaining various technical changes. Cultural acceptance of new retailing modes enables continued evolutionary change within the retail sector.

An explanation of how technological change in commodity distribution networks affects consumer demand is posited

within the role of installment credit, credit cards and emergent financial transaction systems such as televised home shopping systems. Analysis of these factors account for the creation, adaptability and survival of newly created market segments within a capitalist society.

Cultural Basis of Economic Transformation

Success of the retail sector is directly linked with cultural expectations formed through the retailer-consumer relationship. An understanding of the symbolic nature of the retail transaction begins with a theoretical explanation of the retail process. The capitalist system invents an inherent logic emphasizing the ethics of exchange. Commodities are imbued with a consideration of symbolic capital expressed in equivalent value. Individual value is negotiated by the point of exchange-in this case, the merchant or the larger marketplace. The merchant imposes a particular price (or value) upon the particular object. Consumers agree with this assessment and accept the retailer's price. The method of exchange results in a completed exchange between the merchant and the customer. A successful retail exchange places emphasis upon 'victory' (or the negotiation of these exchange values).³

Consideration of two factors, result versus process, creates a linkage between retailing and the institutionalization of consumer credit. The result, as

understood by most analyses of this phenomenon, is the realization of a multi-billion dollar industry wherein approximately 50 percent of the transactions are achieved through consumer credit (NRMA, 1986). The sale is symbolically, but not actually, completed at the moment of transaction when consumer credit is utilized as an instrumental tool facilitating the exchange. The business sector, as represented by diverse retail outlets, utilizes the promise of eventual consumer payment in the completion of the immediate transaction.

The consumer is not immediately faced by a predetermined cash limit while in the marketplace. The only limit is imposed by financial institutional credit line limitations.⁴ Some credit cards permit more consumer purchasing power than others in the retail sector. Bank credit cards usually carry a specific spending limit. Alternately, American Express Co. has no pre-set limit. American Express Co. determines customer purchasing limits according to the cardholder's financial ability and previous purchasing patterns.⁵

Constraints upon consumer spending were historically removed in other ways. A chain of events emerged which eventually substituted deferred gratification for an orientation favoring instant gratification through consumer purchasing power. Corporations perceived the need for marketing durable goods and other immediately unaffordable produced commodities. A tie-in between the manufactured

product and other essential services with weekly wages and a local structure providing everyday needs fulfilled the corporate marketing goals.

Historical examples include Henry Ford's then-innovative plan for making automobiles immediately affordable for the average worker and an equally noteworthy system in 'company towns'. 'Company towns' (as situated in the Chicago based George Pullman industrial operation) provided an instantly available work force. The workers were totally dependent upon Pullman's commercial establishment for their everyday survival. The cost of medical care, living quarters and food provisions were automatically deducted from the small weekly salary earned by the workers.⁶ Such company towns continued until the development of larger cities and the affordability of the automobile (or development of public transportation systems). Railroad car production ceased with the Pullman plant's closing in the 1940s.

The concept known as 'Fordism' (or mass production of a particular product on an assembly line) originated with Henry Ford's mass production factory system. Henry Ford, a capitalist entrepreneur associated with the development of the automobile industry, also embodied the exploitation exacted by George Pullman. Henry Ford's plan was much more subtle. Ford was credited with industrial reforms, which included shortened working hours and higher employee salaries. His rationale was based upon the idea that automobile assembly line workers were

a natural market for the automobiles produced through their own labor. These workers could purchase the product with the wages generated from these industrial efforts, utilize an installment plan in providing immediate affordability and product availability, and rationalize the purchase with an

understanding that a shorter work week allowed sufficient leisure time toward maximizing the automobile's utility.

Interesting parallels exist in the 1980s. Ultimate success of the retail sector was dependent upon increased elaboration of a complex technostucture, wherein individuals contribute expertise in the implementation and management of consumer credit systems (Galbraith, 1975). Daniel Bell's discussion of the post-industrial society (1976a) predicted this trend in an analysis of the growing service industry. Financial records and collection procedures became a specialized bureaucratic system ensuring the profitability of the consumer credit apparatus.

Retail outlets are the backbone of the consumer credit industry. Retailers are distributors and customers. The retail industry is a major supplier of consumer goods and major customers of the credit card companies. The various department stores, starting with Sears, Roebuck and Co. and including smaller neighborhood establishments, can market their own credit cards and installment accounts and/or accept nationally distributed credit cards as distributed through

financial institutions. The mechanics of these arrangements are more fully discussed in a later portion of this chapter.

Credit cards provide convenience and satisfy ongoing purchase demands. First, convenience is provided through obtaining consumer items and rendering payment at a more convenient time. The retailer receives payment from the credit card users within a week. The consumer can pay in full or send in small partial payments. Second, consumer purchase demands are satisfied through credit utilization at any particular time. Consumers need not wait until savings are accumulated before obtaining the desired merchandise.

The consumer credit industry encouraged growth of the retail sector. The use of revolving and installment credit fulfills a desire for durable and other heretofore unaffordable goods. Actual development of the retail industry and its impact upon American society is chronicled in the next section.

Growth of the Retail System

The development of retailing reflects the evolvement of consumer credit in American society. Robert Johnson, Director of the Credit Research Center, Purdue University, has reported on the origins and trends associated with retail credit. According to Johnson (1980), the function of retail credit is oriented toward the maximization of business profits. Added service revenues permitted the retailer to charge less for the

merchandise through generation of additional sales volume.⁷ Installment credit, as a precursor to credit cards, directed consumers toward the acceptance of contemporary credit instruments.⁸

Johnson traces the history of retail credit back to colonial times with the utilization of open-book accounts.⁹ Consumers made an informal promise that they would settle the account at a future time. Farmers, dependent upon industrial firms for machinery and domestic products, paid their entire accounts when the crops came in. Retailers in industrial and commercial areas expected partial payment each month. Creditors were not charged for this service. The cost of credit was incorporated as part of the merchandise selling price.

Open-book accounts were forerunners for the current credit systems. Customers and merchants entered into an understood agreement. The small general stores were instrumental in providing basic food and merchandise suppliers. Trust was implied within the business relationship. Credit transactions were noted in a book. Customers could pick up the merchandise and pay the store owner at a later date.

Open-book credit was generally restricted to farmers, planters and relatively affluent city dwellers. The average citizen was not given these privileges until after the Civil War. Open-book accounts had limited utility for these consumers. The small purchases were convenient but credit

needs were greater with the financing of durable goods. A single payment would not handle the cost of such costly consumer items as sewing machines and furniture. This factor stimulated the issuance of installment credit.

Johnson supplied a comprehensive background accounting for the beginning of consumer credit. He noted that retail installment credit was first introduced in 1807 by a furniture firm known as Cowperthwaite and Sons.¹⁰ Smock (1962:89)

offers the following rationalization for the establishment of instalment selling:

For the merchant, however, such items as stoves and sofas were apt to be more expensive, and therefore to tie up more capital, than items he was glad to open accounts. For the consumer, the establishing, maintaining, or enhancing of a home with store-bought furniture was apt to call for more extensive capital financing. Producers were faced with a comparable situation after the Civil War, when the increasing size of productive units and the increasing cost of tools made the capital financing of business more expensive. By that time, however, the businessman was able to meet his increasing needs with urban credit from banks. There was no urban credit for consumers early in the 19th century and, with the primitive credit (i.e., family savings) less likely to be adequate, the merchant simply had to come up with something new. The result was instalment credit.

A formal contract between the parties legally constituted a binding agreement. Installment selling became popularly accepted. The Singer Sewing Machine Company used the installment plan in 1850,¹¹ and manufacturers of pianos, encyclopedias, and stoves utilized the retail installment arrangements in the 1870 and 1880s.¹² The automobile was

also sold in this manner, affording the consumer a chance to purchase these mass marketed products.

Bass (1977:106) observed that a shift from the general store into the modern department store supported the shift from open book accounts into instalment selling. Consumers receiving offers for these convenient 30-day charge accounts possessed higher incomes, worked in white-collar occupations, and had substantial bank accounts.¹³ Bass (1977:106) further observed that:

Until instalment selling had become wide-spread in other areas of consumer selling, most retail stores considered credit to be a costly necessary service and though they reluctantly appreciated the need for open accounts they shied away from instalment credit long after other vendors had accepted it. Reputable retailers, especially department stores, did not look favorably upon instalment selling and for much of the consuming public, enjoying the use of goods while paying for it was not considered respectable.¹⁴

Bass (1977:107) reports that expansion in retail charge account credit began in the mid-twenties as retail store owners legitimated credit arrangements as an important instrument in competition between retail outlets and between consumer products. Products sold on instalment plans competed with products offered on a cash basis. Bass cites Federal Reserve figures in arguing that open charge accounts have grown steadily since the 1920s. According to Federal Reserve findings, retail credit grew from one and a half million dollars in 1929 to ten million in 1974. However, charge

account credit has declined in proportion with revolving account plans and bank cards.

Convergence of the economic and cultural aspects of everyday was expressed in materialistic terms. A shift in cultural values encouraged a realignment of the industrial sector. Bass (1977:107) points out that American consumer attitudes toward consumer credit began to shift.¹⁵ Instalment buying was made available to consumers with lower incomes. In effect, Bass (1977:108) documents the transformation in retail credit:

instalment buying transformed retail credit from an arrangement of prestige and convenience for the well-to-do to a means of expediting sales of factory-made goods to consumers on a mass scale" (Bass, 1977:108).

Bass's discussion implies that consumer credit underwent transformation from an elitist consumer credit system into the "democratization of consumer credit"¹⁶. The actual process began with simple cultural expectations not conducive for the sale of expensive durable goods. But the first World War and the rise of the middle class marked an important time in the development of the consumer credit industry.¹⁷

Bass continues her discussion of the reasons accounting for wider acceptance of consumer credit. She quotes Dauten (1956:11) as claiming that the basic causes of increased investment in consumer durables (and subsequent rise in consumer credit volume) was attributable to "the fundamental

social-economic changes associated with industrialization and urbanization." (Bass,1977:108).¹⁸

Retailers built up a prejudice against installment selling.¹⁹ An understanding of how the transformation of retailer attitudes was formed involves the automobile. The potential of instalment selling as a merchandising tool was not realized until the development of the mass-produced automobile. The automobile as an everyday consumer purchase and durable product "brought respectability to instalment financing. Consumer purchase of automobiles on installment financing led to credit expansion into other areas of retail

credit selling."²⁰ Major sales finance companies were created with the rise in mass automobile sales demand.

Bass (1977:111) observed that the legitimate recognition of consumer credit coincided with the culmination of the great depression and a lifting of wartime credit restrictions.²¹ Consumers and retailers gradually recognized that cultural attitudes were changing and the acquisition of durable goods was more accepted. Instalment sales were initially applied to certain types of hard goods and required sizable down payments. But reliance was increasingly placed upon buyers' character and evidence of willingness to pay than on security of the retail transaction.

Advent of the Department Store

The rise of urbanization meant a new constituency requiring furnishings and other everyday items. Department stores were tailor made for accommodating important demographic shifts within American society. The rise of families and steady movement from the urban areas to affluent suburban areas accounted for the utility of these large commercial establishments. Retailing establishments were created for the purpose of showcasing such consumer goods. Consumers found an advantage in having various commodities under one department store roof rather than dispersed among different retail establishments.

The combination of a larger economic structure responsible for transforming and tapping into cultural values and defining social status acted as a significant force.²² Proponents of the economic system emphasize the rationality of the marketplace as incorporating the production, distribution and sale of consumer goods or services. A main analytical thread incorporates an understanding of retail industry development and the impact of cultural or technological change. Any systematic study of retail marketing includes a detailed analysis of the retail industry and its structural development. The focus of this analysis features an emphasis on department and chain stores in urban and rural settings, a significant population shift into suburban settings and creation of the 'mall culture', and a final metamorphosis into

an automated system featuring electronic fund transfers and Automated Teller Machines (ATMs).²³

An understanding of consumer credit and the retail marketing apparatus requires an explanation in terms of cultural and industrial positioning within the technostucture (Bell, 1976a; Bluestone and Harrison, 1983). Bell explained how cultural values were rearranged for the convenience of economic development. He does not see this as a conspiracy; rather, he sees this as a logical extension of consumer desires toward improving their lives through acquiring material objects. Bluestone and Harrison describe how flexible specialization enabled the expansion of industrial growth. Varying consumer needs were addressed through the capability for producing mass products.²⁴

Indirect side effects inevitably affected consumers engaged in purchasing and creating these goods. Cultural change in turn affected the composition of a growing working class sector. New retail opportunities were created through redefined technological abilities and a redeployment of retailing specialists. Bluestone and Harrison pointed out that technological change created a need for replacing workers with others having more appropriate training. In many cases, jobs were declared obsolete and workers were faced with necessary retraining.

Retail marketing is a vital link in the development of

department stores, boutiques, and discount stores. Retail marketing, in combination with the development of consumer credit plans, solidified the place of department stores in American society. An analysis of the historical progression of these events explains the impact of these changes upon consumer activity. Early consumer credit plans encouraged the cultural transformation from delayed gratification to immediate gratification. The history of modern retail credit plans began shortly before World War II. In 1938, Wanamaker's applied the first department store revolving credit arrangement. A four month payment period was allowed and no charge was made for credit. Revolving credit was restricted during World War II by Regulation W. The economic boom after the war was accompanied by installment credit plans with assessed finance charges.²⁵ Two plans were previously available. Retailers offered a 30-day charge account and the installment account. The 30-day charge account was a free service providing that the consumer paid within that time period. The installment account typically included a 6 percent finance charge.

The next step in the process was characterized by the rapid growth of the department store. Urbanization of the American population prompted a consumer dependence upon mass marketed goods. Development of urbanization and the formation of competing retail outlets are two factors reflected in an analysis of leading department stores. The stores are

predominantly located in major urban areas. A large population depended upon the major retailing firms for desired consumer items. Each store carved its own niche in the surrounding community. As a result, these stores developed into long standing businesses with succeeding generations forming a steady clientele.

The early department stores supplied sought after consumer goods and stimulated the production of these commodities in the United States. Additionally, these department stores fulfilled the need in centralizing the availability of goods and services under one roof. These early department stores were grand palaces catering to the wealthy or upwardly mobile. Bloomingdale's, Saks Fifth Avenue, B. Altman and Macy's were among the more noted retailing outlets renowned throughout the United States.²⁶

The leading department stores attained impressive economic growth. Hendrickson (1979:458) categorizes department stores according to several criteria. First, he lists the ten department stores according to overall volume in 1977. These firms were ranked as follows: 1) Macy's (New York); 2) Hudson's (Detroit)-since out of business; 3) Abraham and Straus (Brooklyn); 4) Broadway (Los Angeles); 5) Marshall Field (Chicago); 6) Korvettes (New York)-since out of business; 7) Bamberger's (New Jersey)-a subsidiary of Gimbel's and now out of business; 8) Alexander's (New York); 9) May Company (California); and 10) Bloomingdale's (New York).

Hendrickson (1979:458) lists the 22 retail chains accounting for sales ranging from \$22 billion to \$1 billion. These firms were ranked as follows: 1) Sears Roebuck-\$22.024 billion; 2) K Mart-\$10.064 billion; 3) J.C. Penney-\$9.369 billion; 4) F.W. Woolworth-\$5.543 billion; 5) Montgomery Ward-\$5 billion; 6) Federated Department Stores-\$4.923 billion; 7) Winn-Dixie Stores-\$3.997 billion; 8) Lucky Stores-\$3.974 billion; 9) American Stores-\$3.465 billion; 10) May Department stores-\$2.370 billion; 11) Dayton-Hudson Stores-\$2.191 billion; 12) Rapid-American-\$2.046 billion; 13) Allied Stores-\$1.927 billion; 14) R.H. Macy-\$1.661 billion; 15) Gamble-Skogmo-\$1.634 billion; 16) Carter Hawley Hale-\$1.505 billion; 17) Associated Dry Goods-\$1.468 billion; 18) McCrory Corporation-\$1.350 billion; 19) Zayre Corporation-\$1.261 billion; 20) Geneseo-\$1.015 billion; 21) Gimbel's-\$1 billion; and 22) Vornado-\$1 billion.²⁷

Hendrickson (1979:459) indicated the thirteen most profitable department store chains.²⁸ The retailing outfits and their profit margins in 1978 are listed as follows: 1) Sears Roebuck-\$836 million; 2) K Mart-\$302.9 million; 3) J.C. Penney-\$295 million; 4) Federated Department Stores-\$196.6 million; 5) F.W. Woolworth-\$91.9 million; 6) May Department Stores-\$84 million; 7) Dayton-Hudson-\$84 million; 8) Allied Stores-\$74.2 million; 9) Winn-Dixie-\$70 million; 10) Lucky Stores-\$61.3 million; 11) Macy's-\$52.8 million; 12) Carter

Hawley Hale-\$50.1 million; and 13) Associated Dry Goods-\$42.1 million.

The eleven richest department store chains were also listed in the Hendrickson study (1979:459): 1) Sears, Roebuck-\$23.086 billion; 2) Mobile Oil (Montreal)-\$20.579 billion; 3) J.C. Penney-\$4.106 billion; 4) K Mart-\$3.428 billion; 5) Federated Department Stores-\$2.520 billion; 6) F.W. Woolworth-\$1.214 billion; 7) May Department Stores-\$1.651 billion; 8) Arlen Realty Stores (Korvettes)-\$1.563 billion; 9) Rapid American-\$1.485 billion; 10) Allied Stores-\$1.295 billion; and 11) Dayton-Hudson-\$1.219 billion.²⁹

The credit card figured prominently in the enhancement of department store profitability. More than 50 percent of overall sales were attributed to consumer utilization of either a store charge card or a major credit card. Credit cards also enabled the increase of unanticipated (or impulse) shopper purchases while seeking pre-planned products.

The above statistics on department store profitability indicate the prosperous nature of the retail industry. Profitability margins may change depending upon outside leveraged investments³⁰ or the overall economic situation. The recent Macy's acquisition is one such example. The company acquired Bullock's and other expensive retail properties. But this trend is one factor useful for understanding the expansion of overall retail chains. The retail industry always had a consistent core of customers.

Problems arose with greed from overexpansion and competition from within the industry itself. The story of shopping malls and teleshopping completes the overall picture.

Creation of the 'Mall Culture'

The 'mall culture' was an artifact of social change. Urban and suburban areas experienced a concentrated population shift. Central areas for shopping, recreation, and social functions were welcomed by area residents. The establishment of shopping malls in suburban areas was especially important. Major population segments relocated from urban to suburban areas. Residents in suburbia needed retail stores for food, clothing, and other essential services.

Suburban dwellers possessed middle or upper income resources. Financial worth was supplemented by adequate consumer or retail credit lines. The combination of a sizable consumer cohort and their spending potential encouraged the growth of shopping malls. Jacobs (1982) documented the growth of shopping malls. There were 16,400 shopping centers in 1975 and 22,750 in 1981.³¹

Jacobs (1982:1) cites Feagin (1982) in noting that shopping centers account for about half of all annual retail sales in the United States involving general merchandise and clothing. The growth of the shopping center industry is interesting because the first large regional shopping centers were not built until the 1950s.

The early shopping centers were built around a core of major department stores. Nine out of ten shopping malls in the early 1980s were less than ten years old. The post World War Two era was important in encouraging the relocation of major retail businesses. America witnessed a level of consumption unknown in prior generations and not seen since. Retail credit and consumer credit cards were more available than any other time period.

Jacobs (1982:1-2) explains that the modern shopping mall was an expansion of urban arcades established in the 19th century. According to Gruen (1973), early shopping malls were observed in Athens, Roman forums and oriental bazaars. More contemporary examples in the pre World War Two period included the development of suburban shopping facilities in the 1930s and 1940s. Some of these places were the Country Club Plaza in Kansas City, Missouri and Westwood Village in Los Angeles. These early shopping malls concentrated on offering office space rather than large department stores.

As previously noted, the flight from urban areas to suburbia was encouraged by the development of the automobile. Enhanced transportation capabilities enabled the construction of suburban communities. New highways and large parking lots accommodated the heavy traffic patterns. Merchants and department store owners relocated from downtown areas into the new population centers. Customers offered relatively affluent income levels and sufficient consumer credit capability.

According to Hendrickson (1979:461), the world's biggest shopping centers were the following: Lakewood Center, Lakewood, California; Woodfield Mall, Schaumburg, Illinois; Randall Park, Cleveland, Ohio; Roosevelt Field, Garden City, New York; Cinderella City, Engelwood, CA.; Metrocenter, Phoenix, Arizona; and Yorktown Shopping Center, Lombard, Illinois. The seven states with the most shopping centers are: California, 2,044; Texas, 1,470; Florida, 988; New York, 868; Ohio, 737; Pennsylvania, 730; and Illinois, 628. The states enumerated above encompassed large suburban areas and substantial population size.

The shopping mall sustained its appeal through offering a broadened array of services. According to Rybczynski (1993), the new shopping malls comprise ersatz urban centers equipped with post offices, hotels, counseling centers and theme parks in a weather protected, safe and clean place.³² Rybczynski's (1993) account conjures images of Zukin's (1991) account of urban settings as landscapes of power. He claims that there were more than 8,000 new shopping centers opened in the United States from 1960 to 1970, twice as many as in the previous decade. From 1970 to 1990, about 25,000 new shopping centers were built in the United States.

Aside from the standard description of prototypical shopping malls established in the early part of this century in Chicago, Kansas City, Dallas and San Diego, Rybczynski (1993) refers to the more recent malls as larger and more

autonomous. Several recent malls are the Del Amo Fashion Center, in Torrance, California (3 million square feet), the West Edmonton Mall in Alberta, Canada (comprising 5.2 million square feet, and the Mall of America, Bloomington, Minnesota (4.2 million square feet). The Mall of America expects to attract approximately 100,000 people a day. According to the owners, the Mall of America will probably attract more visitors than Walt Disney World or the Grand Canyon. The Mall of America includes four department stores, approximately 360 specialty stores and more than forty restaurants and food outlets. The stores are grouped around a seven acre glass-roofed courtyard containing an amusement park with 23 rides, two theaters and dozens of smaller attractions. The courtyard is described as a theme park (Camp Snoopy, with 'counselors' wearing distinctive uniforms. In addition, the complex includes two hotels. In comparison, the older West Edmonton Mall 'merely' included a skating rink, amusement park, an aviary, a dolphin pool, an artificial lagoon with a submarine ride, a floating replica of the Santa maria, and the world's largest indoor water park, complete with an artificial beach.

Credit cards are an important feature³³ of the recent 'mega' shopping malls. A customer visiting the Mall of America probably requires a credit card if contemplating a multi-day stay in one of the nearby hotels. Additionally, credit cards facilitate the numerous consumer purchases during a protracted shopping trip. Most consumers do not carry the hundreds or

thousand of dollars in cash needed for completion of many purchases.

Contemporary Development of the Retail Industry

Shopping malls thrived while consumer credit expenditures increased and consumer demand remained constant. New business initiatives dampened the growth of urban shopping mall locations. Prosperous operating results continued until the coming of boutiques and discount outlets offering specialized services or competitive discount prices. Boutiques siphoned away the upper class consumer trade while discount outlets tapped into the lower and middle class customer base. The major department stores encountered significant competition from boutiques and other discount chains. Boutiques offered specialized clothing, appliances, or products for a select population.

Discount stores also offered the same merchandise as department stores. Discount chain operation success was assured with competitive pricing, locations in more urban and suburban areas, and greater sales volume. This section offers an analysis of how department stores inspired niche marketing (also known as flexible specialization or accumulation) through whetting consumer appetite for various consumer products.³⁴ Further, the opening of new retailing markets inspired industrial expansion and produced a significant

impact upon the original department stores and their competitors.³⁵

Traditional department stores served general consumer needs. Furniture, household appliance and supplies, clothing, electronic and assorted consumer products were all available under one roof.³⁶ Boutiques specialize in specific items not offered by department stores. For example, small retailing operations cater to narrow consumer interests. One such store offers products solely intended for cats and cat owners. The boutique sells special cat food, cat care products, and even videos for cats. Cat owners can purchase pot holders, refrigerator magnets, statues and other home decorations, and various household accessories decorated with feline images. The shop receives much public attention in newspapers and electronic media reports.³⁷

On the other hand, discount stores form an antithesis of the selective boutique merchandising strategy. Discount stores carry a wide variety of consumer goods in particular merchandising lines. For example, discount stores in the electronic business offer savings on videocassette recorders, camcorders, computers, tape recorders, cameras, and other related merchandise.³⁸

The catalog business was a traditionally strong adjacent marketing tool for the retail industry. There are a number of retail companies dependent upon the catalogue mail order business. A cursory check of some catalogues received or

collected by this author includes the following retail businesses: Bloomingdale's (furniture, clothing and jewelry), 47th Street Photo, Frank Eastern Co. (office furniture), Smythe & Co. (men's and women's clothing), Undergear ("a handbook of activewear and underwear from around the world"), International Male (male clothes and accessories), Frederick's of Hollywood (predominately women's underwear, outerwear, and accessories), and Playboy (clothing, video materials, and numerous items linked with Playboy's sensual image).

Notice that the above list does not even include the leading retail market catalogues produced by Sears, Roebuck and Co., J.C. Penney, and Montgomery Ward. The catalog business was predicated upon a cultural image presented within and fulfilled by the mail order operation as a "wish list".³⁹ A solicitation received from J.C. Penney points out the advantages of mail order shopping:

- 1) JCPenney Catalog can save you time and money.
- 2) JCPenney Catalog makes shopping easy for you...anytime.
- 3) JCPenney Catalog delivers...just tell us where.
- 4) JCPenney Catalog is more exciting than ever...It's filled with more than 1,400 pages of fashions, sporting goods, home furnishings, electronics and more...for your entire family. so take advantage of this special offer today, and get ready to enjoy shopping convenience like never before!

The catalogs were popular during a time when the predominantly rural population needed more than the general stores could supply. Sears, Penney, and Montgomery Ward catalog operations formed the equivalent of modern department stores, boutiques, discount chains, suburban shopping malls

and televised home shopping services. The previously cited sales volume statistics lend support to the historical importance of mail order businesses.

Sears invoked its own form of post-fordist industrial development through diversified product lines and flexible specialization. The post-Fordist period did not sufficiently evolve until the time period following World War II. It is important to remember that the early 1900s (approximately 1920-1930) were a time when the assembly line produced standardized products.

Consumer demand was quite heavy from the late 1800s through the early 1900s.⁴⁰ Since the level of consumer demand was uncertain, the Sears assembly line produced a limited supply of goods. The wave of consumer orders overwhelmed the company. Sears factory operations were upgraded with the inclusion of an expanded goods inventory. Some reasons for these changes and the cultural and economic impact of retail marketing are accounted for in the next section. More recently, Sears, Montgomery Ward and J.C. Penney shut down their catalog operations. The combination of ubiquitous shopping malls, home shopping on cable television, and boutiques siphoned off the traditionally heavy consumer buying volume.

Marketing Consumer Credit Through Mass Media

We have previously discussed how the consumer credit industry is instrumental in prompting significant cultural changes within everyday social interaction. Cultural changes in our attire, automobile choices, or travel plans are based upon marketed choices. Active marketing promotion is a prerequisite before consumers fit the product into their everyday lifestyles. Advertising serves an important role in stimulating consumer desire for particular products. Consumer goods are the mainstay of an economic system dependent upon elaborate marketing strategies directed toward pre-determining cultural acceptance.

Successful marketing is the key toward achieving maximum profits. Retail markets require efficient distribution networks for the dissemination of the available goods and services. Promotion through television or newspaper advertising is not enough. Bringing products into the marketplace is extremely crucial in achieving this success. The product must reach the marketplace and become accessible through convenient outlets. Department stores and shop by mail or phone services make these items directly accessible to the public.⁴¹

The allure of an expanded consumer marketplace masked the 'price' (e.g., technical obsolescence) that societal members faced for this diversity. Ewen (1983) referred to style and the coercion of cultural forces.⁴² Mass media emerged as a

vital factor in distributing ideological messages along with the diversified consumer products. People are no longer limited to excursions into shopping malls or department stores. Mass marketing is now more sophisticated and widespread than at any point in the twentieth century. The television medium expanded with its utilization of innovative techniques incorporating promotion of merchandise through home shopping programming and brief advertising messages (e.g., '800' numbers).

Televised shopping resources developed in correspondence with the cable industry. Some of the first retail marketing efforts were advanced with '800' telemarketing numbers. Ted Turner, in the early stages of promoting WTBS as a superstation,⁴³ accepted advertising from telemarketing firms. Kitchen appliances, recordings, and other consumer goods were advertised by firms requesting credit card orders. Telephone operators recorded the orders for processing by the retail company.

The combination of credit cards, televised advertising, and telephone ordering formed an important connection. Consumers now possessed the opportunity for ordering merchandise in the privacy of their own home. Although home shopping was not new,⁴⁴ the combination of media and marketing transcended catalog orders and moved into the visual realm. It was a matter of time before a totally visual home

shopping service would tap into the lucrative consumer credit market.

Development of the Home Shopping Network

Mail order through catalogs and television offers remained a viable industry. According to Fishman (1987), 1986 sales were about \$135 billion, with consumer mail order at \$62 billion, business mail order at \$38 billion, and charitable mail order at \$35 billion. The mail order industry experienced some losses in the early part of the current recession. Montgomery Ward's closure caused a \$1 billion gap. Growth was pronounced for sportswear, videocassettes, mutual funds, and cable home shopping. Home Shopping Network was one of the major companies with high growth productivity.

The Home Shopping Network was established on July 1, 1985 by Roy Speer and Bud Paxson. The first Home Shopping Network (HSN) was launched on a nationwide programming, live, 24 hour basis. The Home Shopping Network was an extension of the Home Shopping Club, which began broadcasting on cable systems in the Tampa Bay area of Florida in July 1982. The HSN launched a second, live 24 hour network on March 1, 1986. HSN acquired Stuart McGuire Company, a telemarketing outlet, on July 23, 1986. Stuart McGuire handled the overflow calls for the two HSN channels and orders for merchandise from HSN's ten mail order catalogs. HSN announced the formation of a national broadcast network and began acquiring TV stations in the top

TV markets in America in August 1986. On December 17, 1986, HSN announced formation of a short lived The Home Shopping Game show syndicated by MCA TV Enterprises for airing in June 1987. On January 7, 1987, HSN announced construction of new studios and corporate facilities on 26 acres of land in St. Petersburg, Florida. Those studios hold 2000 telemarketing operators engaged in receiving phone orders.

Hawk (1988) pointed out the reasons for HSN growth and the derivation of the organization's basic telemarketing appeal:

As a sales vehicle, TV has a lot going for it-local, familiarity, and a reputation for information and entertainment. The big drawback, until recently, has been the limited opportunity for direct customer response. But since HSN went national with its home shopping service in 1985, the TV studio has become an in-bound telemarketing machine, creating the impulse to buy and take telephone orders on the spot.⁴⁵

Home Shopping Network had numerous cable competitors for the same telemarketing services. The primary competitors were Cable Value Network (CVN) and Quality Value Cable (QVC). The latter was owned by Sears, Roebuck and Co. and offered Sears merchandise. QVC later added an affinity credit card to its customers.

HSN and its competitors capitalized on impulsive consumer spending and a potentially unlimited audience. A 1987 consumer survey sponsored by HSN revealed who watches telemarketing shows. Females are the targeted audience. Teleshopping shows are watched in 52 percent of total US homes, 76 percent of the sampled households watched HSN, and 52 percent of the sampled households watched teleshopping on

cable television. Average age of female teleshoppers in total US homes was 39.4 years, HSC shoppers averaged 45.3 years, and general cable TV teleshoppers averaged 40.1 years.

Incomes for teleshoppers in total US homes was \$24,897, \$39,140 in homes where HSC was viewed, and \$35,500 in homes where viewers watched any teleshopping shows. Many of these female teleshoppers were high school graduates. Seventy three percent of teleshoppers in total US homes were college graduates, 88 percent of the HSN teleshoppers were HS graduates, and 79 percent were general cable TV teleshoppers. The audience was relatively educated. Thirty four percent of female teleshoppers in total US homes attended college, versus 42 percent of the HSC teleshoppers and 40 percent of the general cable teleshoppers. Interestingly, 58 percent of the female teleshoppers in total US homes were employed, 65 percent of the HSC teleshoppers were employed, and 60 percent of the general cable television shoppers were employed (Hawk, 1988:26).

Hawk (1988) also supplies several other interesting facts. The total number of HSN shoppers includes more than 3 million active home shopping club households. The profile of HSN shoppers includes the following detail: 84 percent own a home, 75 percent are suburbanites and the rest are fairly split between cities and rural areas. The typical customer watches HSN 1.7 hours per day, out of a total TV viewing time of 6.5 hours on weekdays, and 8.4 hours on weekends.

The sales figures were also very impressive. Hawk (1988:27) pointed out the HSN displayed the motivation power of TV shopping shows. HSN sales reached \$64 million in the first eight months after nationwide cablecasting in July 1985. Sales reached \$1 billion in 1988. Hawk points out that HSN shows about 10 products per hour, netting \$1200 per minute in sales on weekdays and \$2000 per minute on weekends. Order stations are staffed by 2000 human operators per shifts. Tootie, a computerized voice response system, takes more than 100,000 calls per day.

HSN, Inc. is a very profitable business operation. HSN's teleshopping operation increased 129 percent to \$26.2 million in 1987 while earnings per share went from 15 cents to 29 cents. HSN also expanded from one cable channel into two channels, followed by a larger studio and telesales capacity in several locations. Additionally, Hawk (1988) and others state that HSN is engaged in acquiring local UHF stations in urban areas throughout the United States and affiliates in other cities. Dagnoli (1987) states that HSN gives 5% of its revenues to the stations that carry the network. The total was more than \$21 million as of 1987. Additionally, HSN maintains several catalogs, private label merchandise under 70 labels and is moving into necessities, adding insurance, discount prescription drugs, cosmetics, travel and financial services.

Other statistics are equally impressive. Agnew (1987) estimated that television home shopping would reach \$7.2 billion by 1991. By the end of 1987, 50 million Americans or 50 percent of all home with sets were able to shop by tv. Of the 6 percent of cable subscribers who buy from home shopping programs, 64 percent purchase monthly; 66 percent watch more than one hour a week, 71 percent spend more than \$20 per purchase, and 48 percent have bought from catalogs in the past six months. HSN had \$106 million in sales and 350,000 regular customers in its first nine months. The company bought ten broadcast stations.⁴⁶

Credit cards are an important economic component of the Home Shopping Network. Viewers pre-register their credit card numbers in the HSN computer and draw upon their line of credit when purchasing a particular item. The HSN system benefits from consumer credit card utilization because cash resources are readily transferred into the corporate account. Additionally, consumers can purchases items on an impulsive basis in the same way as shoppers in a department store.

Conclusions

Economic resources (e.g., credit cards) permit the consumption of cultural artifacts in the form of symbolic capital (or commodities). Acquisition of cultural objects implies the achievement of particular social statuses.⁴⁷

Home shopping seemingly exploits the impulsive nature of

consumer behavior. Shoppers are offered 'bargains' and given a high pressure sales pitch. The viewers must purchase the items within a set time or lose the purchasing privilege. An argument can be posited that consumers are chasing material success through real or symbolic capital. But where does this all lead? The next chapter deals with the cultural interpretation of such behavior as measured through indebtedness and legislative relief.

Notes

1. The yearly Christmas season accounts for at least 40 percent of the overall yearly retail gain. Everyday progress of consumer spending trends are charted by the nightly network news programs and newspapers. Consumer activity was particularly noteworthy in 1991. President George Bush attempted to prime consumer activity by example; President Bush and his wife purchased socks and other small items while shopping in a busy suburban mall.

2. The impact of advertising and industrial assertion of economic goals was discussed in more detail within preceding chapters.

3. Bellah, et.al. (1985) might assert that individual choice is forfeited while substituting implicit consumer acceptance of the retailer's economic assessment.

4. "Maxing out" is a phrase coined by the business community for the development of consumers matching their pre-existing credit line through overzealous purchasing activity.

5. The previous discussion of American Express Card advertising demonstrated how THE CARD was presented as a consumer convenience over regular credit cards.

6. A tour of the former Pullman Town was conducted by Philip Nyden during the 1984 annual meeting of the Association for Humanist Sociology.

7. The economic principle of initiating consumer credit and passing the costs (of finance charges) onto the buyers still remains intact. Any extra added costs borne by the merchants (e.g., discount charges from 3-6% payable to the credit card companies for the licensing privilege) is compensated for by the convenience afforded consumers and attendant sales volume.

8. These points are further detailed by Robert Smock (1962). Smock detailed the impact of rapid industrialization and documented the impact of modern debt on 20th century families.

9. Smock (1962:89) cites Nugent, 1939, in differentiating between open-book credit and installment selling. Smock wrote the following regarding these two economic developments:

Installment selling usually differed from open-book credit in that (a) a contract was signed for a specific major purchase,

(b) the contract established a conditional sale with payments considered as rent until completed, (c) monthly payments represented a smaller fraction of the amount due than would have been welcome from the same customer on a charge account, although the total amount due was probably larger than would have been welcome on that customer's charge account, and (d) a 'down payment' usually was required (Nugent, 1939).

10. Smock (1962:88) amplifies this important point. Smock's observation on the historical development of installment credit noted the following historical evidence:

Nugent (1939:54) is more cautious about identifying its exact origin. He notes a newspaper advertisement of 1789 offering horses for sale as "installment bonds" calling for annual payments of two or three years. Cox (The Economics of Consumer Buying, 1939, p.71) suggests that "...instalment selling probably amounted to little more than extending and formalizing established practices," for many stores, and must have sprung up more or less simultaneously in many phases. Plummer ("Retail Credit," Encyclopedia of the Social Sciences, XI, 342-346) points out that instalment selling was practiced in English cities in the first quarter of the 19th century and was known in France at least by mid-century. Whatever its exact origin, the instalment selling of furniture and other commodities became common in the United States sometime early in the 19th century.

11. Smock (1962:91) notes that installment sales were instrumental in permitting the purchase of both expensive consumer durables and everyday commodities:

Producers of more expensive consumer durables felt the same pressure, of course, and merchants were not alone in spreading the instalment plan. By 1850, for example, the Singer Sewing Machine was sold on the instalment plan directly to consumers by agents of the manufacturer, and the same was true of stoves and pianos. The distinctive characteristic of all this early instalment selling was that it represented a very cautious experimentation with a new departure from cash exchange and traditional credit practices, and did not represent an effort to sell more expensive goods to families with relatively limited incomes.

Smock, again at this point, cites Nugent's (1939:55) observations on instalment credit. Nugent reinforces Bourdieu's (1985) point on the impact of social status (or habitus):

Instalment sales were confined almost universally to goods which had a satisfactory resale market; terms of repayment appear to have been relatively short and down-payments substantial; and instalment credit privileges appear to have been limited to persons who enjoyed good credit reputations and who were well able to meet their contracts.

12. Bass expands on detail supplied by Johnson (1976) and Smock (1962). She reports that:

The practice of buying durable goods on time goes back more than a hundred years. The rudiments of modern instalment retailing were already present in 1856 when Isaac Singer found that he could sell many more sewing machines by financing their purchase. In one year after he introduced the idea of hire purchase (instalment financing) his sewing machine sales had tripled.

13. Bass (1977:108) expanded on the significance of the transition from primitive credit plans into the everyday acceptance of consumer or retail credit:

By the turn of the century instalment credit practices has spread through most of the eastern states and were applied to a wide variety of consumer goods; terms became gradually more liberal and extended payments began to be made available to consumers with relatively lower incomes. Early on, instalment buying began to change retail credit from an arrangement of prestige and convenience for the well-to-do to a means of expediting sales of factory-made goods to consumers on a mass scale.

14. Bass (1977) cites Neifeld's (1961) capsulized the retail industry feeling about consumer credit prior to 1911:

Prior to 1911, the generally accepted thinking of the era was to discourage "time buying." such stalwarts as Sears, Roebuck and Co. published admonitory editorials in their mail order catalogues advising customers not to be misled by firms advertising time payments.

15. "The invention of the instalment payment concept, its extension into virtually every kind of consumer transaction and its phenomenal growth since World War II brought profound changes to the everyday lives of Americans. Gradually through the first half of this century and at a faster pace since the fifties, the American consumer has become increasingly more receptive to the idea of using credit--more tolerant toward being chronically in debt--and instalment buying has found a central place in his life." (Bass, 1977:107)

16. "Democratization of Consumer Credit" was a working concept originally suggested by the late Joseph Bensman in 1983 during the early developmental stages of the thesis research.

17. Bass offers the following concise development of this process:

The giant boost in instalment buying came after the first world war when an array of new forms of consumer durables was introduced and made generally available to the consuming public through instalment selling. The investment in durables by consumers was the major factor in the explosive growth of instalment financing which began at that time. The stock of durable equipment in the home of the middle-income American of 1900 had an original investment value of about \$200 in such devices as a sewing machine, an icebox, a cooking stove, and some inexpensive items of laundry, cleaning, and transportation equipment. Today such a home would have at least one automobile, a refrigerator, a stove and dishwasher in the kitchen, a washer and drier, several radios and a TV set, and numerous smaller appliances for use in cooking, cleaning, personal grooming, and recreation with a total purchase price of five to ten thousand dollars or more.

18. Dauten (1956:11) is quoted as claiming that:

Methods of producing durable goods in large quantities at a low price were important. To make large sales possible, goods had to be available at prices millions could afford. It is also true that a market had to exist for large quantities of goods to make the economies of large-scale, assembly-line production possible.

This mass market was provided because incomes were increasing and money was available for items other than necessary food, clothing, and minimum shelter. Changing modes of living also provided the incentive to purchase such goods. More people were moving to the cities and wanted conveniences and a show of goods equal to those of their neighbors. Increased activities put a greater premium on leisure time, thus leading to a demand for labor saving devices.

19. Bass (1977:110) claimed that they (the retailers) were discouraged by:

...the prevailing low standards of the credit industry and they were apprehensive about promoting instalment credit because of their customers' negative reactions to it, but most of all they had not yet realized its potential as a merchandising device.

20. Bass, 1977, Page 110.

21. Bass noted the following in her analysis of the consumer credit boom:

As the practice gained respectability consumers of middle and upper-middle income levels began to do instalment buying and by the late twenties better retail stores could openly promote

instalment credit without fear of damaging customers' good will or diminishing their own status in the eyes of the clientele. Retail instalment selling had arrived. Its constant growth as been interrupted only in the years of the Great Depression

and by the wartime shortages and credit restrictions of the 1940s. In the decade after the war's end consumer credit increased five times, led by instalment financing of durable goods, and retail stores had not closed themselves out of this credit boom.

22. Refer to Bourdieu's (1984) synthesis of a grand theory indicating the power of social forces binding together structural units. The later theoretical posturing of Giddens (1985) and other theorists on structuralism (combining geographical location with an existing time frame-or socio-spatial formation) builds upon these ideas. Zukin and DiMaggio (1989) and other political economic analysts also draw upon these seminal ideas.

23. Subsequent material will document how this technological development greatly influenced the expansion of the retail industry.

24. The so-called 'Fordist' era featured mass production for the purpose of supplying a standardized product while the 'post-Fordist' period ostensibly emphasized niche marketing in many diversified consumer domains. Piore and Sable (1978) cover this transformation within a larger economic discussion of the technostucture.

25. Neal (1967:152-153) summarizes the development of revolving accounts:

The revolving account turned the tide for our major stores. It booster overall sales enormously and with extended payment plans soft goods came into their own. The store had been correct in concluding that easy credit for durables had

been cutting into clothing sales but now consumers could buy suits, dresses and even socks on long easy payments too.

Of course revolving credit isn't free to customers--most plans carry a rather high rate of interest. The revolving account is geared to the sale of apparel, toiletries, major utensils and soft goods for the home. It is now possible to buy rapidly consumed goods and short lived items of clothing with 12 months or more to pay. With revolving credit it has become easier to buy but harder to budget and many consumers are finding it easier to get into credit problems. For instance, if you were to add a two-months supply of beauty aids to your revolving account, you might be paying for these niceties many months after they were used up. As payment terms are stretched out, it is essential that the consumer develop more realistic planning habits and he must give much more careful consideration to the cost of purchase, replacement, maintenance, interest charges and the addition to his debt load when he decides to use the convenient terms of his revolving charge.

26. The reader must note that the following material describes the economic state of department store operations in the late 1970s. A fuller consideration of where the department store industry stands after the 1980s will follow in a later section.

27. Several of these department stores or corporate retailing firms are either out of business or consolidated with other corporations. For example, Federated, Dayton-Hudson, and Gimbels filed for bankruptcy and subsequently closed in recent years.

28. The list is somewhat out of date but provides a good idea of potential profitability in the retail sector.

29. Sears and J.C. Penney have nationwide customers through their catalogue divisions while Woolworth and several other stores possess general merchandise fulfilling everyday consumer needs.

30. Leveraged buyouts (LBOs) are economic transactions wherein one company acquires another and sells off portions of the acquired property in satisfying the huge debt. Campeau, Inc. acquired the Allied and Federated retailing chains (stores acquired included Bloomingdale's, Stern's, Abraham and

Straus and other leading retailers. Several of these stores were sold and others went into temporary bankruptcy protection in protecting the parent company and satisfying the large debt.

31. Jacobs cites the Wall Street Journal, April 21, 1982 as his source of the information on shopping center growth.

32. The concept of mall development and the transformation of retailing into a theme park phenomenon was discussed by Rybczynski, 1993.

Ibid., P. 102.

34. Piore and Sable (1978) argued that industrial production was guided by the advent of flexible specialization (or the extension of the manufacturing sector into the production of varied consumer goods. Harvey (1979) and other argue that the process is a reflection of post-Fordist tendencies within the capitalist system.

35. Retail marketing, as discussed in the next section, does have its limits. The reader should realize that the current recessionary times are a reflection of the cultural and economic bases of retail credit. According to the New York Times (1/22/92:D1), 47th Street Photo joined Newmark and Lewis, another electronics discount chain, and Seaman's, a leading furniture discount outlet, in filing for bankruptcy under Chapter 11. Stephanie Strom, a New York Times reporter, included the following observation about the nature of previous marketing success at 47th Street Photo: For years, competitors marveled at 47th Street Photo's sales volume and the lightening speed with which it brought goods in and sold them out. Though 47th Street Photo never added new stores by the handful like Newmark & Lewis, Nobody Beats the Wiz and other competitors, its reputation spread across the country through a lucrative mail-order business.

36. Department stores evolved in response to the everyday needs of a consumer population dependent upon industrial (or manufacturing) efforts for specific products. The pre-urban consumer was less dependent upon manufacturing concerns. Rural dwelling consumers either self produced clothing and other goods or purchased necessary items from a general store. A later section in this chapter addresses the evolution of the retail industry.

37. Other examples of boutiques catering to limited consumer interests are available. Meredith Brokaw, wife of network news anchor Tom Brokaw, operates a trendy toy store for people seeking special items. The post-Fordist trend

toward narrow interests includes boutique formation in the electronic industry. Cable television offers specific channels appealing to particular audiences. News, country music, nostalgia, entertainment, science fiction, popular music, and religion are just a few interests served through cable channels. Television networks are comparable with department stores. The cable offshoots are symbolic of boutiques serving specialized interests.

38. Discount chains were a lucrative part of the retail industry until the advent of the current recession. See the forthcoming discussion of the present economic state of the retail industry for more substantive information.

39. The phrase "wish list" came into usage with the consumer desires (or wishes) for the merchandise listed in omnibus catalogs offering a myriad group of choices.

40. A 1989 documentary airing on PBS as part of their American Experience series chronicled the rise of the Sears catalog business.

41. The American public indicates an interest in acquiring particular consumer goods. The commodities are then produced in fulfilling the indicated marketing demand. In spite of the most sophisticated advertising industry efforts, achieving economic profitability ultimately depends upon funneling the produced commodities through accessible retail outlets.

42. Ewen (1983) argues that consumers are seduced by fads or styles. The outside techstructure remained aloof from an everyday discourse dictated by media influence.

43. A superstation is a local station from one region of the country that is carried nationwide via cable systems. Some of these stations include WWOR-TV (Channel 9, New York City), WGN-TV (Channel 9, Chicago), WPIX-TV (Channel 11, New York), and other stations in Boston, San Francisco and major urban markets.

44. Consumers previously ordered via catalogs offered by department stores and specialty companies.

45. Hawk, 1988, pgs. 26-28, elaborates on these ideas.

46. Agnew, 1987, pp. 1,20 reports on the impact of home shopping.

47. See Bourdieu (1984) and other similar analyses for an elaboration upon the cultural capital (or poststructural) theme.

Chapter Six

Consumer Debt and the Social Impact of Credit

Introduction

The shift from pre-industrial into industrial, post-industrial, and finally the fruition of postmodern (or post-structural) formation was a significant transition from the early twentieth century to the present within the developing American economic system.¹ A constantly changing mode of production shaped consumer wants and needs.² The means of production, and most importantly, the marketing appeal shifted as the post-Fordist (or niche marketing) approach took center stage. Niche marketing gave way to nebulous choices and a basic definition of social life based upon available choices in material goods, attainable services and accessible social experiences. The postmodern perspective stressed continual redefinition of everyday needs and constantly changing consumer cultural values.

Consumer acceptance of credit extension and the social desirability of consumer debt was achieved through gradual enculturation. Desires were fulfilled through immediate gratification rather than deferred saving. Consumers strived for the benefits that available goods and services offered in improving their social lives. Tangible things such as

furniture or clothing offered an affirmation that individuals accepted particular styles or fashion. Household items stood as form of positional goods for the lower class cohort.³ David Caplovitz (1965) pointed out that consumers sought furniture and appliances as an indication of permanence.⁴

The relationship between cultural values and economic development dictated a reorganization of social status (or prestige) guidelines.⁵ Debt accumulation (also termed 'debt entanglement' by David Caplovitz) was now entrenched as an acceptable method of putting on social appearances. An entire generation accepted ongoing debt obligations rather than the traditionally held view that purchases were consummated when funds were immediately available.

The overall impact of these events was reflected in the post-Fordist emphasis upon diversification rather than standard production procedures.⁶ 'Present orientation' replaced planning for future consumption among many American consumers. The difference between economically disadvantaged (or, in Wilson's terminology (1991), 'the ghetto poor')⁷ and the rising middle class was defined as immediate leisure choices versus necessity. New material and nonmaterial products emerged as the evolving cultural system incorporated new status symbols or experiences (e.g., telecharge systems wherein consumers can charge a movie ticket at a reserved time for a popular film attracting major audience attention).⁸

Thus, the consumer appeal of visiting a theme park (or telling friends and co-workers about one's experience-along with generating photographs) becomes a culturally approved social activity.⁹

Additionally, the perceptible shift in credit card advertising emphasized intangible or nonmaterial experience or the growth of the theme park and tourist industries. These activities were dependent upon and facilitated by credit card purchasing as an enabling factor. Marketing strategy categorized by 'buy now, pay later' was replaced with a cautious economic rationale.¹⁰ That contradictory rationale lasted while consumers found themselves visibly coping with debt accumulated during the later stages of the 1980s. The debt was created through credit cards and other devices helping to facilitate immediate attainment of certain experiences perceived as wants but transformed into cultural needs. The advertised products were made available through an ever-evolving retail system linked with social changes in residential location, consumer employment location, and advanced telecommunications technology.

This chapter completes the progression of events described above and detailed in previous sections. More significantly, the impact of consumer credit is a serious concern in the unfolding of more complex social choices. The industrial sector is caught amidst a serious set of circumstances. On one hand, manufacturers and distributors are eager for an ever

expanding consumer business. Alternately, how far can consumers continue spending before the accumulated obligations are beyond practical financial means? How can an ideology associated with consumer culture adjust to apparent prosperity in everyday consumer lives? Are there any limits associated with contingencies wherein consumer debt levels develop into a personal problem? What about the declining significance of bankruptcy in an expanding economy?

Forthcoming discussion centers around the importance of changes within the federal bankruptcy laws. The legal system finally acknowledged that bankruptcy did not carry the same social stigma and there was a significant increase in consumers dealing with consumer debt. Consumers can apply for debt relief and still keep most of their possessions. Ironically, consumers automatically become good credit risks for banks and other financial institutions engaged in expanding a base of potential credit card customers. Consumers declaring bankruptcy cannot apply for similar debt relief for another seven years.

Important information on the importance of consumer debt is incorporated in providing important conclusions about consumer spending and its social significance. Consideration of cultural changes in the discussion of consumer credit incorporates an examination of social historical regulative initiatives. What is the impact of the Equal Credit Opportunity Act and revamped bankruptcy laws as derived from

a lenient cultural system stressing debtor forgiveness? Lastly, what are the repercussions of economic control and impending cultural values?

Debt and the Expansion of Consumer Credit

A more extensive examination of consumer credit growth and its implications facilitates the understanding of increased bankruptcy rates and a subsequent reinterpretation of bankruptcy from a postmodern perspective. Bankruptcy does not currently carry the same social stigma as during the pre-1978 period. Revision of the Federal Bankruptcy Laws allowing a more lenient attitude toward consumer default did not occur until 1978. Altered consumer perceptions regarding debt acceptance produced liberalized changes in the bankruptcy laws, accompanied by massive consumer debt expansion during the 1980s and the realization that continued spending facilitates post-Fordist tendencies (allowing distribution of more differentiated products). In a postmodern sense, the image of bankruptcy (or overwhelming debt accumulation) as a negative character flaw was reconceptualized as a temporary condition.

The rise of consumer debt and a transformation in social attitudes toward debt are major elements in the development of new social definitions surrounding bankruptcy status. An increased consumer acceptance of consumer credit and rising debt levels contributed to more pronounced debt levels.

According to Klein (1971)¹¹, consumer credit use spread at a phenomenal rates in the period between 1920 and 1967:

Consumer credit growth has been concentrated largely in three periods. The use of credit for consumer durables was first introduced on a large scale in the twenties, with a peak in 1929. The second period corresponded to the period of recovery from the Great Depression and reached a peak in 1941 at the onset of U.S. participation in World War II. Both of these periods of growth were small, however, compared with the third, which began at the end of World War II and has continued ever since. Consumer credit outstanding has more than quadrupled since 1950, increasing from about \$20 billion to almost \$100 billion (in 1967). The absolute growth during this third period as well as the growth relative to the earlier ones has been very substantial. Installment credit (including automobile credit) and noninstalment credit have both shared in this growth, generally conforming to the pattern just discussed. Noninstalment credit differed to the extent that it showed only modest expansion during the second period.¹²

Families in 1946 were adjusting from the impact of the second world war. Stringent controls on the production of consumer goods prevented any pronounced buying activity. Consumer installment debt outstanding by the end of 1945 was only \$2.5 billion. As Lockett observes, the total was equivalent to about \$16 billion in 1987 dollars.¹³

Federal Reserve statistics elaborated on consumer credit levels and trends in income, spending and savings rates. The economic measures are important because the creation of surplus goods and new consumer products is directly influenced by consumer demand and available cash or credit resources. The pattern of growth in total outstanding installment credit in the period from 1929-1967 is particularly interesting. Federal Reserve System statistics indicate \$35.1 million in

outstanding instalment credit in 1929, \$17.8 million in 1933, \$72.6 million in 1941, \$24.3 million in 1944, followed by progressively higher volume throughout the post-World War II period from 1945-1967 (\$25.8 million in 1945 and \$901.8 million in 1967).¹⁴ The cyclical pattern indicates that consumer credit use was relatively high in 1929 (the first year of the Great Depression). Many analysts blame the overextension of consumer credit for the depression conditions during 1929-the early 1940s. The United States begins a brief climb out of the Depression in 1941, consumer activity slackens due to scarce consumer goods, and consumer credit volume really picks up from the mid-1940s until the late 1960s.¹⁵

The heavy use of credit cards and other forms of consumer installment credit extended into the 1980s. Total personal income totaled \$4.1 billion in 1988. Americans were also spending a significant percentage of their earned income. Disposable personal income was \$3.5 billion, personal outlays were \$3.3 billion and personal saving was \$143.6 million. The overall savings rate fluctuated from 4.4 percent in 1985 and early 1988 to a low of approximately 2.3 percent during the third quarter of 1987.¹⁶

Credit card distribution increased by major proportions during the period from the 1970s to the mid-1980s. Mandell (1991:153) notes the widespread acceptance of consumer credit cards:

By 1984, 71 percent of all families possessed a credit card. The most pronounced expansion has been achieved in the bank card industry: from 1970 to 1986, the number of families carrying a bank credit card increased from 16 to 55 percent. Sixty-two percent owned a retail card, and 34 percent owned a gas card. The most popular card by far was Visa, which was carried by 43.3 percent of all Americans between the ages of seventeen and sixty-five. It was followed by Sears (38.4 percent) and MasterCard (30.1 percent). The leading gas cards were Amoco, with 13.9 percent, and Shell, with 9.5 percent. American Express cards were held by 12.5 percent of the population, and 9.5 percent own a Discover card.

American Express continues to lead in charge volume by a considerable margin, with \$74.3 billion. It is far ahead of its closest competitor, Citibank, which has \$19.5 billion, and Sears, with \$13.4 billion. Citibank leads in outstanding debt (\$15 billion), followed closely by American Express and Sears.

Consumer debt generated by credit card use emerged as a major factor in the development of the consumer credit business. Credit cards were a significant element in facilitating increased consumer spending during the 1970s and the 1980s. Previous sections discussed the relationship between credit cards and the convenience of immediate consumer spending. The ascendance of the consumer culture and emphasis upon immediate gratification produced an important social economic change. Thrift was deemphasized and consumption became the social norm. According to Mandell (1991:79), the credit card industry exerted a significant impact on consumer debt:

A study by Glenn Canner on the consumer credit industry from 1970 to 1986 revealed that, although the proportion of credit card owners who used the revolving credit feature remained nearly constant during this period at about 50 percent, the average outstanding balance more than doubled in real terms—from \$649 in 1970 to \$1,472 in 1986. Much of the growth in consumer debt came in the

early and mid-1980s. In 1983, consumer credit card debt accounted for 16.9 percent of total installment payments. this increase coincided with the surge in the proportion of consumer debt to disposable personal income, from 14 percent in 1982 to 18 percent in 1986.¹⁸

Basic changes in the credit card industry led to more potential consumer payment default on credit card accounts and contributed to bankruptcy rates. Mandell (1991:89) addresses consumer default on credit card balances and the impact of heightened industrial competition:

Increased competition from all sides-Discover, Optima, affinity cards-has begun to erode the profitability of bank card operations. In an effort to meet marketing goals, many banks have taken on customers with lower and lower credit ratings. Dependence upon more marginal accounts with higher balances has resulted in a substantial increase in net charge-offs. As a percentage of credit card balances, charge-offs in the United States have doubled from 1.5 percent in 1984 to 3.2 percent in 1986. Worldwide, the Nilson Report estimated MasterCard and Visa charge-offs to have been 4.01 percent in 1987. In a sample of 148 large banking organizations carried out by the Federal Reserve Bank of Cleveland in 1987, the percentage of charge-offs ranged from 0.6 percent to 8.9 percent. Banks with higher charge-off ratios tended to be much larger than others, put more emphasis on credit card lending, and had higher rates. The higher rates tended to

compensate the banks for the greater risk of their portfolios.¹⁹

Overall consumer credit levels increased dramatically during the 1980s. Consumer credit reached \$655 billion by September 1988. According to the Federal Reserve Board, the debt distribution was distributed as follows: commercial banks, \$308.8 billion; finance companies, \$142.7 billion; credit unions, \$86.7 billion; retailers, \$43.9 billion; savings institutions, \$69.3 billion; and gasoline companies, \$3.6 billion.²⁰ Credit card debt was responsible for

approximately 4 percent of the total credit outlays. However, credit card profit matched and exceeded the economic advantages of automobile loans, mortgages and ordinary loans. Bank funds for credit card lines of credit were borrowed for approximately 3-4 percent and loaned consumers at rates ranging from 11-21 percent.²¹

Growth of the Bankruptcy Phenomenon

Statistics only convey part of the story. The previously detailed statistics provide a snapshot of economic activity and growth of consumer installment credit. Rampant acceptance of consumer credit created higher levels of consumer debt during the 1980s. Luckett (1988) documented the trend toward pervasive consumer activity.²² Revisions in bankruptcy laws were instrumental in furthering the expansion of consumer debt. Luckett points out that personal bankruptcy filings in 1946 totaled fewer than 9,000. As a comparative measure, 9,000 bankruptcies per week were the norm in 1988.

A combination of recessionary periods and legislative changes were responsible for heightened bankruptcy rates. Bankruptcies rose each year from 1946 until the mid-1960s. Consumer bankruptcy rates hit a high of 190,000 cases in 1967. Historical trends then indicate a fluctuation in bankruptcy rates from 1968-1980. High inflation during the 1970s pushed many more people into filing for bankruptcy.

As Lockett (1988) notes, personal bankruptcies increased throughout much of the 1980s. Back-to-back recessions during the early 1980s brought the unemployment rate from less than 6 percent to more than 10 percent. The higher unemployment rate was accompanied by a major revision to federal bankruptcy laws during fall 1979. Bankruptcy became more attractive to debtors because the liberalized law increased the amount of assets exempt from liquidation.²³

Bankruptcies jumped from about 200,000 cases in 1979 to nearly 315,000 in 1982. Bankruptcies declined during 1983 and 1984 but increased during 1985 and 1986, with a 205 percent increase during each year. Bankruptcy rates slowed in the following years but the number of bankruptcy cases filed totaled nearly 500,000.

Lockett's information was amplified by Cocheo (1991). According to Cocheo (1991), bankruptcy filings for the year ending June 1990 totaled 660,796 cases. The 1990 bankruptcy incidence was a nearly 14 percent increase from the previous year.²⁴

The above numbers illustrate that bankruptcy surfaced as a viable social choice during the mid-1980s. But how do we explain the significance of the social economic transformation from social stigma to an accepted administrative procedure? Some of the answers are developed by Sullivan, Warren, and Westbrook (1989) in their groundbreaking study of bankruptcy and consumer credit in America. The authors examine legal

remedies facilitating bankruptcy through Chapters 7 and 13 of the 1978 Bankruptcy Code. Their analysis incorporates an analysis of bankruptcy law as a social remedy for serious debt problems and creditors.

Several questions frame the Sullivan, et al. (1989) examination of bankruptcy as a serious social issue. The three central questions raised by the authors are the following: Who are the debtors and the creditors in bankruptcy, What factors have contributed to the spectacular increases in consumer bankruptcy, and how should these data affect the normative and policy decisions underlying the consumer bankruptcy laws? Their subsequent analysis considers specific circumstances (layoffs, medical debts, low incomes, business failures and credit junkies) wherein bankruptcy occurs.

Key issues emerge in an analysis surrounding post-Fordism, the postmodern dilemma of contradictory positive and negative connotations surrounding consumer debt, and the cultural changes as fueled by economic reform. Sullivan, et.al. (1989:8) lay out the following contradictions:

We also examine the increasing fragility of the consumer credit system. We discuss the growth imperative that drives lenders to press for more and more consumer debt at the same time that job layoffs and other unexpected financial crises make debtors more vulnerable to economic collapse. We suggest that consumer bankruptcy is an economic and social safety valve that permits debtors to function in an economic system even after their financial collapse. Our objective is to determine what changes in the system as a whole have put some much pressure on that safety valve in the last decade.

The contradictions implied in the preceding statement are equally social, financial and moral. The moral dimension developed by Sullivan, et.al. indicates an ongoing ambivalence about bankruptcy. The cultural values inbred within American society emphasize celebrity status through hard work and achievement. Our society admires people who undertake comebacks in the midst of adversity. Emphasis is placed upon the celebration of people as distinguished by social credentials earned by accumulating material possessions and myriad travel experiences.

Cultural appropriation of success as a desired social status is operative in defining social acceptance. Fault is measured in terms of desirable social character (i.e., the admired work ethic) and violations of the success stereotype. Thus, Sullivan, et.al. state that we favor the unemployed steelworker over the "grasshopper hedonist." How can we account for the operative procedure responsible for assigning fault or blame? Is debtor victimization precipitated by the limitless promise of profits in a post-fordist economic setting? After all, we can blame the bank or finance company for offering the initial loan or credit line regardless of whether the consumer can meet his or her subsequent obligations.

The Declining Significance of Bankruptcy

The relative social acceptance of bankruptcy did not always carry such benign meaning. There was a time when consumer debt was viewed with disapproval by most people. Social attitudes changed when middle and working class families, since the 1920s, relied upon relatively high installment credit payments on borrowed funds. The resulting consequences and reluctant shift toward the cultural acceptance of "starting over with a clean slate" was an integral part of the capitalist system.²⁵

A consideration of how the cultural contradictions built within capitalism produce such ambivalent feelings reveals the nature of current social attitudes toward bankruptcy. According to Daniel Bell (1976:64-65), the rise of urban settings contributed to the erosion of traditional religious values. Bell summarizes this phase of his analysis supporting cultural change in modern society:

But something else (aside from the impact of prohibition upon social character) was going on, and this was the transformation of the American social structure, and the end of small-town dominance of American life as a social fact. There was, first, the continuing demographic change, which resulted in the growth of urban centers and the shift in political weight. But more broadly, a consumption society was emerging, with its emphasis on spending and material possessions, and it was undermining the traditional value system, with its emphasis on thrift, frugality, self-control, and impulse renunciation. Integral to both social changes was a technological revolution which, through the automobile, the motion picture, and the radio, broke down rural isolation and for the first time fused the country into a common culture and

a national society. This social transformation was responsible for the end of puritanism as a set of practices that could support the traditional value system.²⁶

Bell (1976:65-66) traces the relationship between mass consumption and consumer cultural alterations in everyday life. Bell provides the following analysis of "the transparent life":

The cultural transformation of modern society is due, singularly, to the rise of mass consumption, or the diffusion of what were once considered luxuries to the middle and lower classes in society. In this process, past luxuries are constantly redefined as necessities, so that it eventually seems incredible that an ordinary object could ever have been considered out of the reach of an ordinary man.

Mass consumption, which began in the 1920s, was made possible by revolutions in technology, principally the application of electrical energy to household tasks (washing machines, refrigerators, vacuum cleaners, and the like), and by three social inventions: mass production on an assembly line, which made a cheap automobile possible; the development of marketing, which rationalized the art of identifying different kinds of buying groups and whetting consumer appetites; and the spread of installment buying, which more than any other social device, broke down the old protestant fear of debt. The concomitant revolutions in transportation and communications laid the basis for a national society and the beginnings of a common culture. Taken all together, mass consumption meant the acceptance, in the crucial area of life-style, of the idea of social change and personal transformation, and it gave legitimacy to those who would innovate and lead the way, in culture as well as in production²⁷

The developing consumer culture accompanied a significant change in social values. Bell (1976:69): again concisely states the nature of social economic change within everyday lifestyles:

All this (advertising and rapid social change) came about by gearing society to change and the acceptance of cultural change, once mass consumption and a high standard of living were seen as the legitimate purpose of economic organization. Selling became the most striking activity of contemporary America. Against frugality, selling emphasized prodigality; against asceticism, the lavish display.²⁸

The inherent cultural contradictions encouraging the creation of consumer debt come to the forefront in Bell's (1976:69) analysis of consumer spending, creation of consumer debt and the Protestant Ethic. Bell points out that saving and abstinence are integral parts of the Protestant Ethic. Bell (1976:69-70) also offers an insightful view of consumer debt and social structure within a more elaborate discussion of hedonism and shift in American values.²⁹

The cultural contradictions between work and the encouragement of consumption are basic themes in Bell's (1976:71, 75) discussion:

What this abandonment of puritanism and the Protestant Ethic does, of course, is to leave capitalism with no moral or transcendental ethic. It also emphasizes not only the disjunction between the norms of the culture and the norms of the social structure, but also an extraordinary contradiction between the social structure itself. On one hand, the business corporation wants an individual to work hard, pursue a career, accept delayed gratification-to be, in the crude sense, a corporate man. And yet, in its products and its advertisements, the corporation promotes pleasure, instant joy, relaxing and letting go.³⁰

...But the real social revolution in modern society came in the 1920s, when the rise of mass production and high consumption began to transform the life of the middle class itself. In effect, the Protestant Ethic as a social reality and a life-style for the middle class was replaced by a materialistic hedonism, and the Puritan temper by a psychological eudaemonism. But bourgeois society, justified and propelled as it had been in its earliest

energies by these older ethics, could not easily admit to the change. It promoted a hedonistic way of life furiously-one has only to look at the transformation of advertising in the 1920s-but could not justify it. It lacked a new religion or value system to replace the old, and the result was disjunction.³¹

Bell (1976:75) also offers an interesting interpretation of how the disjunction produced through a change in social values impacted upon contemporary society and the shift into idealizing the middle class standard of living:

The "new capitalism" (the phrase was first used in the 1920s) continued to demand a Protestant Ethic in the area of production-that is, in the realm of work-but to stimulate a demand for pleasure and work in the area of consumption. The disjunction was bound to widen. The spread of urban life, with its variety of distractions and multiple stimuli; the new roles of women, created by the expansion of office jobs and the freer social and sexual contacts; the rise of a national culture through motion pictures and radio-all contributed to a loss of social authority on the part of the older value system. The Puritan temper might be described more simply by the term "delayed gratification," and by restraint in gratification. It is, of course, the Malthusian injunction for prudence in a world of scarcity. But the claim of the American economic system was that it had introduced abundance, and the nature of abundance, is to encourage prodigality rather than prudence. A higher standard of living, not work as an end in itself, then becomes the engine of change. The glorification of plenty, rather than the bending to niggardly nature, becomes the justification of the system. But all of this was highly incongruent with the theological and sociological foundations of nineteenth-century Protestantism, which was in turn the foundation of the American Value system.³²

Bell (1976) discusses of the disjuncture between the puritan value system and the coming of the consumer society emphasized significant changes surrounding the consumer culture. The emergent emphasis upon a higher standard of living, increased consumption and the promotion of material or

nonmaterial (symbol) goods accompanied the creation of surplus goods and new consumer products.³³

Bell's distinction between traditional thrift values and the emergent consumer culture carries important implications. The emergent consumer society featured a culture dependent upon increased consumption. Debt becomes an important mainstay in both the consumer culture and everyday economic activity. Mandell (1991:153-4) shows the dependence between these two factors:

To support the increase in consumer credit and to differentiate their products from those of their competitors, merchants have poured money into advertising budgets, enabling them to market more goods more often and more effectively than ever before. Stores stay open later, and new, more convenient shopping centers and malls have been built to further increase consumer spending. Debt maturities on major items such as automobiles have grown from three to four to five years, and down payments have decreased as lenders and automakers compete for the consumer's business.

The credit card industry has been a peculiarly American development. The credit card has evolved to meet the needs of our mobile, affluent society. Credit has always been available from local merchants, but as mobile customers began dealing with merchants over a larger geographic area, the personal trust that had existed between the merchant and his regular customers had to be replaced with the trust of a well-known third-party guarantor. The increased demand for both goods and credit brought on by greater affluence created an environment in which the credit card could flourish.³⁴

The credit card flourished, and as previously discussed, so did the increase in consumer default and bankruptcy rates. Consumer credit was increasingly democratized as merchants needed to overcome a zero sum growth in consumers interested

in holding and using credit cards. Therefore, greater credit risks (consumers with recorded bankruptcy filings, lower and middle income consumers with high debt obligations, college students) were offered credit card privileges.

The growth of the consumer credit system and distribution of goods, services and everyday social experience (theme parks, vacation excursions) was dependent upon maintaining high volume of active consumer transactions. The reconfiguration of bankruptcy as an intermediate stage, rather than final social economic denigration, and the impact of consumer credit upon quality of life form the last facets of the overall analysis presented in this thesis study.

Bankruptcy and Impact of the Legal System

Consumer bankruptcy evolved from an undesirable social practice into a "business as usual" measure employed by debtridden individuals. Citizens often find themselves in "over their heads" as an inevitable result of a consumer culture encouraging immediate commodity acquisition. Debt is a necessary component within the lives of most people. We are always utilizing the convenience afforded by credit card installment debt. With the spread of credit card acceptance throughout the economic sector, people can facilitate the immediate acquisition of food, clothing and other forms of immediate needs (e.g., admissions to theme parks or charging airline tickets).

A postmodern perspective on consumer debt would state that lenient attitudes toward bankruptcy reflect a change in societal feelings about accumulated debt. The creation of an immediate problem (consumer debt) is justified with the rationale that consumer cultural values justify the emphasis on consumption. Objects signifying cultural capital are transformed into economic capital. The desire for consumer goods stems from a striving for better living accommodations, a more cultured background obtained through travel, certain health or other culinary tastes, and exposure to mass culture. The consumption of images (or cultural capital) and its transformation into economic capital (or monetary value ensuring a commercial profit) supports the business sector and intensifies the spread of consumer culture. The marketing of cultural symbols or taste (which Bourdieu, 1984, refers to as *habitus*) is associated with a given product. The social values (or positioning) justifies consumer expenditure for the product, irregardless of the overall cost.³⁵

The above analysis of consumer debt incorporates an understanding of the legal changes facilitating lessened social stigma associated with bankruptcy and immediate reestablishment of consumer credit entitlement. Bankruptcy is a legal position associated with social and economic consequences. An understanding of the process entails knowing the types of bankruptcy protection and how changes in the laws reflect the evolvement of consumer debt.

According to Sullivan et.al. (1989), more than 400,000 American consumers filed for bankruptcy in 1986. The authors point out that the number has more than doubled in less than a decade. It is useful to distinguish two types of bankruptcy categories: Chapter 7 and Chapter 13. Debtors choosing Chapter 7 give up all assets not legally sheltered from creditor seizure. In return, debtors receive a discharge or legal release from most preexisting debts. Proceeds from the sale of the seized objects are sold or liquidated and distributed among the creditors. Some celebrities facing this situation include singer Willie Nelson and the late comedian Redd Foxx.³⁶

Chapter 13 of the Bankruptcy Code allows debtors to keep all property in exchange for negotiated debt payment agreement. Instead of liquidation, consumers must make a debt settlement over a set time period. Chapter 13 is viable only when invoked by an individual with modest debts (secured debts below \$350,000 or unsecured debts over \$100,000).³⁷

The liberalized Federal Bankruptcy laws had a distinctive effect upon recorded bankruptcy rates. There were .07 bankruptcies per 1,000 persons in 1945; the number rises to .88 in 1965; .92 in 1970; and 1.07 in 1975. With the effective implementation of the new Federal Bankruptcy Law in 1980, the number rose to 1.25 bankruptcies per 1,000 persons. There is a considerable increase between 1980 and 1987. Some 2.03 bankruptcies per 1,000 persons were recorded in 1987

(Luckett, 1988). The debt to income ratio was also rising during the same time period. There was a 1.7 percent debt to income ratio in 1945; the number rises to 15 percent in 1965; declines to 14.6 percent during the mid-1970s recession; rises to 15.5 percent in 1980; and eventually increases to 19.3 percent in 1987.³⁸

Luckett (1988:598) presents American Bankers Association data supporting the impact of bank-card credit debt. Losses not recovered by creditors as a percent of credit outstanding during 1983-1986 ranged from 1.27 percent in 1984 to 1.40 in 1986. Percent of losses due to bankruptcy ranged from 25.2 percent in 1984 to 32.7 percent in 1986. Finally, losses due to bankruptcy as a percent of credit outstanding was recorded at .34 in 1983; .32 in 1984; .51 in 1985; and .46 in 1986. However, bank card credit losses ranged from 1.09% in 1984 to a high of 2.35 percent in 1980. The percentage was 2.23 percent in 1986.³⁹

Credit card debt was forgivable because financial institutions still made a profit on consumer transactions. The imposition of annual fees, relatively high interest rates in proportion to federal Reserve money rates, and the marketing of subsidiary services guaranteed a profit against charge-offs.

Some consumers still managed to find themselves facing substantial debt. The sample of Texas bankruptcy cases compiled by Sullivan et.al. (1989:183) averaged \$3,741 in

total credit card debt, \$2,010 in all-purpose credit card debt, and \$2,933 in store credit card debt.⁴⁰

An interesting social science component exists throughout the profile presented various statistical measures on consumer debt. Consumer debt keeps rising, more debt and bankruptcies are encouraged by the business community, and the economic system functions on a normal pace. A certain form of "social control", as created by the social economic system, seems to explain the development of rising consumer debt and pronounced economic activity. The purchase of products and marketed experience, as facilitated by credit card use, is legitimated by vesting consumer culture with cultural capital. The business community and government agencies regulating economic growth desire consumer activity. The consumer credit system, comprising the advertising, marketing and distribution of credit cards and consumer goods depends upon sufficient business volume. Thus, financial institutions offering credit cards and department stores selling merchandise continually promote their product. At the same time, the business community does not desire massive bankruptcies to the extent that consumers are no longer viable customers. Bell (1976) identifies this general trend between thrift and spending as one of the important cultural contradictions in capitalism.⁴¹

Television credit card commercials typify an ongoing contradiction in the economy. Depending upon the number of consumer bankruptcies and government pressure upon consumer

credit as an inflationary factor, credit card commercials will either emphasize conspicuous consumption (in the case of ongoing Visa advertisements featuring tropical or exotic locations) or in the case of current MasterCard advertisements emphasizing ordinary uses for the bank credit card.

Therefore, the legal system adjusted the bankruptcy laws in an effort to identify prolific consumers facing major indebtedness. A major contradiction does exist at this point. The postmodern image of consumer credit and consumer culture dominates American society. There is no escape from consumer debt in a society based upon the establishment of economic capital emanating from products associated with cultural symbols or masterfully marketed utility for the lives of consumers.

The penalty for invoking bankruptcy protection seems somewhat irrelevant at times. Consumers will voluntarily cut up their credit cards ("plastic surgery") and repay a portion of their debts. In the meantime, consumers are reoffered bank credit cards, secured credit cards (credit cards with a balance based upon the amount of a security payment) and department store accounts. Creditors know that the consumer cannot apply for bankruptcy protection for another seven years. According to Sullivan et.al., most consumers file for bankruptcy protection only once in their lives.

Debt and the consumer culture also conspicuously affects particular segments. Bank card issuers went after new

population groups after exhausting the number of working men interested in owning a credit card. Women were targeted in the 1970s and college students (where recruiters visit campuses offering limited credit line accounts) during the past decade. In the case of women, passage of the Equal Credit Opportunity Act in 1970 provided that women would be entitled to credit in their own name. However, Sullivan et.al. (1989:147) comment that there is insufficient data showing the exact increase in women filing for bankruptcy protection. Most instances occur among single women and married women discovering that two incomes no longer support a family.⁴²

Consumer Debt and the Quality of Life

The 1992 Presidential election featured repeated references regarding the national economy as a 'credit card managed system based on perpetual deficits.' Recent discussion about the U.S. government and the mounting federal deficit reduce the problem to a practical concern. How much debt can a government carry and still maintain a basic level of services? The same question can be asked about mounting bankruptcy rates, consumers always struggling to meet their monthly obligations and still allocate sometimes scarce funds for goods, services and leisure experiences.

Credit cards and other forms of installment debt are the answer for consumers struggling with everyday financial

obligations, low savings and continual material needs. The quality of life issue is more dynamic because consumer credit and credit card facilitation of everyday life is linked with larger political, economic and cultural factors. According to Stuart Hall (1991), the problem takes on a distinctly social political dimension:

There has been an enormous expansion of "civil society," caused by the diversification of the different social worlds in which men and women can operate. At present, most people only relate to these worlds through the medium of consumption. But, each of these worlds also has its own codes of behavior, its "scenes" and "economies," and its "pleasures." These allow the individual some space in which to reassert a measure of choice and control over everyday life and to play with its more expressive dimensions. This "pluralization" of social life expands the roles and identities available to ordinary people (at least in the developed world).⁴³

Hall (1991) interprets consumption from a critical perspective. The reader can see an emphasis on the "subject."

Consumerism is a subjective activity enabled by consumer credit, and especially credit cards. One can also infer the influence of consumer credit in the lives of women as transformed by the Equal Credit Opportunity Act and its impact:

Of course, the preoccupation with consumption and style may appear trivial-though more so to men, who tend to have themselves "reproduced" at arm's length from the grubby processes of shopping and buying and getting, and therefore take it less seriously than women, for whom it was destiny, life's "work." But the fact is that great numbers of people with however little money play the game of using things to signify who they are. Everybody, including people in poor societies whom we in the West frequently speak about as if they inhabit a world outside of culture, know that today's "goods" double up as social signs and produce meanings as well as energy.⁴⁴

The social economic perspective related to consumption and quality of life is also reflected in Harvey's (1991) analysis. Harvey conveys a clearer explanation of "Fordist" and "flexible" accumulation and ties the debate into a consideration of cultural life and political organization with "the relationship between modernist and postmodernist ways of thinking and of cultural production."⁴⁵

Harvey sees flexibility as a condition in everyday life. Levels of flexibility include flexibility in relation to labor processes (speeding up labor processes and production of goods), labor market flexibility (new types of positions and subcontracting), state policy (deregulation and privatization), and flexibility in geographic mobility (relocation of the workplace).⁴⁶

All of the above relate to consumer culture because there is a new quality of life associated with the production and consumption of commodities purchased by consumers. The economic relations alter family structure, consumption patterns or working conditions while the cultural patterns dictate the formation of cultural capital. The impact of culturally filtered information is important in dictating the formation of a professional class emphasizing economic activity for the consumption of cultural capital. Harvey draws the important linkage as follows:

The period since 1973 as witnessed a reconfiguration of class structures in many of the advanced capitalist countries. Service-type tasks (employment in finance, insurance, real estate, and the like) grew in relative

importance, and industries concerned with cultural production (the film and TV industries, a vastly expanded network of art galleries, folk festivals, and so forth) flourished. What Daniel Bell has called the "cultural mass"-the millions of people working in broadcast media, films, theater, universities, publishing houses, and advertising and communications industries, who process and influence the reception of serious cultural products and produce popular materials for the wider mass-culture audience-became both qualitatively and quantitatively more influential in shaping the terms of political, social, and economic debates.⁴⁷

The concern with culture and the flexibility built into the post-Fordist system inevitably give rise to an emerging postmodern movement. Harvey (1991:73-77) claims that postmodernism emphasizes the cultural mass, wherein taste, gentrification, and lifestyles are promoted through advertisements, film, architecture, music and other sources.

There are three levels in Harvey's (1991:74-76) analysis of postmodernism: 1) the production of images is an important facet of the reproduction and transformation of a social order; 2) a lack of focus upon the larger consumer society and more inner-directed emphasis upon pluralistic notions; and 3) a reordering of our sense of time and space (telecommunications and mass tourism change how we think the world works).⁴⁸

All three are valid in a continual shift from the general to a specific interpersonal view of everyday life. Consumer credit and the commodities associated with consumer culture (and the cultural capital of everyday experience) is shaped by free floating images. Credit cards enable us to go everywhere

and, in the words of a popular Visa credit card commercial, "we're everywhere you want to be."

Harvey (1991:76) pinpoints the general concern in an important passage relating The Condition of Postmodernity (1989) with this research on consumption (and, by inference, consumer credit):

...a connection can be made between the way capitalist-led innovations have been changing both the material management and the cultural experience of space and time. The quest to reduce turnover time in production, always a crucial concern in capitalist profit maximization, is part of what lies behind the turn to flexibility. But speed-up in production, always a crucial concern in capitalist profit maximization, is part of what lies behind the turn to flexibility. But speed-up in production entails parallel speed-up in exchange (marketing and banking) and consumption. Some of the prime commercial applications of postmodernism have been to reduce the turnover time of fashions and fads and to devote increased resources to the production of images (which have the advantage, compared to knives and forks and cars, of almost instantaneous consumption time).⁴⁹

Production, consumption, and the transformation from cultural capital into economic capital are inevitably part of a larger structure. By inference, consumer credit and credit cards go beyond niche marketing in facilitating planning, calculated marketing decisions, and encourage an emphasis upon leisure or style of life.⁵⁰ Immediate consumption of ideas or experiences are equally or more powerful than the acquisition of material commodities.

Summary and Conclusions

Consumer credit and the generation of consumer debt represent a powerful force in American society. The-present-

day acceptance of consumer debt for the acquisition of material goods, services and experiences (such as travel and tourism) is an antithesis of thrift as a culturally accepted ideological value. The more open acceptance of bankruptcy (or failure to repay one's debts) is less perceived as an inert character flaw than a natural consequence of the contemporary consumer society. Credit cards are systematically marketed and acquisitive consumer behavior (often as conspicuous consumption) is an everyday reality in capitalist societies. The "conferring" of a credit card is both a sign of status recognition and indispensable for "getting the most out of life."

Every segment of young adults, women, professional and occupational workers, and stratified social class groups have access to credit cards and instant consumer gratification. The world is rapidly changing, the images speed across our eyes and consumer culture enables us to "go with the flow." Alvin Toffler's (1971) vision of future shock was not far from the truth.⁵¹ The credit card enables us to purchase images, ideas, material commodities signifying actual or anticipatory social status, and a cultural heritage through our travel experiences. Henry Ford was right: cultural values and social class are the real commodities manufactured and purchased by a nation of workers and consumers.

We are living in a transformed society: the post-industrial society has given way to further differentiation,

niche marketing and flexibility, and an ever-shifting social order. Consumer credit has accomplished the institutionalization of consumerism. The shift from living within one's means into an ever-changing society has yielded less permanence and more dependence upon economic purchasing power in achieving everyday goals.

The gradual shift from credit cards, to Automatic Teller Machines (ATMs), and eventually an Electronic Funds Transfer system (EFT) driven society operated by "smart cards" (containing data regarding our personal lives) will further insure instant gratification through immediate purchasing power. Telephone sex, check-in for a personally chosen fantasy suite, a Las Vegas vacation and the generally staged authenticity life are all components of the consumer society. We can now expand the quality of our lives through the use of credit cards. Future technology will provide impetus for even more products, services and experiences translatable from cultural capital into economic capital.

The advertising industry and commodity distribution networks continue to market (or shape) the consumed images and immediately make them available to a waiting public. Credit card advertisements convey the images that both encourage consumer credit use and the desire for acquisition of commodities offered through retailing outlets. The cable television home shopping services and spectacular retailing showcases like the Mall of America feed into Herbert Marcuse's

(1965) claim that we achieve identity through material possessions.⁵²

How can we characterize the importance of the consumer credit apparatus detailed in our overall thesis? Our society is in an ever-evolving state of change. Consumer credit and the immediate utilization of credit cards help us cope with the continuing pressures of everyday life. We can 'charge' admission to a famous theme park, fantasy suite or borrow cash in a Las Vegas casino as we pursue our own "field of dreams." Credit cards can also help us to maintain a professional image or purchase the education and tools for ascending into a higher social economic status. Credit cards are also dangerous if misused. The Descartian phrase "fools with tools are still fools" is operative here.

Credit cards and other forms of consumer credit are a permanent fixture in American society. The institutionalization of consumerism is an evolving process. The postmodern thinkers tell us that everything is imagery, there is no certainty, and structural grounding between social economic relationships and the lives of American consumers is always changing. What are the inevitable social economic implications of the consumer culture that was initiated in the early 1920s and continually develops innovative symbolic and material commodities for personal acquisition? Zukin (1991), Harvey (1989, 1991) and other seminal thinkers give us some

clues. But inevitably, the future of the relationship between the economic system and social values still "lies in the cards."

Notes

1. See previous discussion in Chapters One and Two. Additionally, Daniel Bell, 1976a, contributes an important statement linking the industrial, post-industrial and postmodern viewpoints.

2. Bell, 1973, indicates how the post-industrial society emphasized a service sector affording enhanced leisure time. Bell's sense of contradiction stemmed from the values placed on work versus the push for consumer spending incentive.

1. Refer to Hirsch's 1974 discussion of positional goods.

4. Caplovitz (1965) claimed that the poverty stricken or lower income population sought affirmation that they had tangible roots in the community. He argued that substandard furniture and appliances bought on installment credit plans had an intrinsic symbolic value beyond a utilitarian household function.

5. See Bourdieu, 1984 for more information on this point.

6. Consult Harvey, 1979, for more information on this important perspective.

7. See Wilson's 1990 Presidential Address delivered in Washington, D.C. At the annual meeting of the American Sociological Association (ASR, 1991).

8. Bourdieu (1984) points out that social status and cultural values are closely intertwined in a society dependent upon continually redefining normative social appearance.

9. Many social critics miss the essential point behind the socio-cultural influences associated with theme parks. Some theorists (especially Zukin, 1991) insist upon equating theme parks with representational power (or cultural appropriation). The forced determinist analysis of economic and cultural forces clearly neglects and negates an empirically based understanding of socio-cultural forces. Refer to Featherstone (1992) and MacCannell (1991) for a more comprehensive view of tourism and consumer culture.

10. A leading advertising executive provided some information within the course of a telephone conversation. A shift between impulsive consumption and careful choice based upon everyday lifestyles occurred within the last decade. Adam Smith, on a recent PBS program (1992), pointed out that MasterCard's message during the 1980s was "Master the

possibilities". Celebrities were promoting active consumption. The more recent message during the 1990s emphasizes consumer savings and the practical applications afforded by using MasterCard. The previous chapter on advertising detailed the essence of this shift.

11. Klein, 1971, Page 4, accepts the Federal Reserve Board definition of consumer credit:

Consumer credit includes short-and intermediate-term credit that is extended through regular business channels to finance the purchase of commodities, and services for personal consumption, or to refinance debts incurred for such purposes.

12. Klein, op. cit.

13. See Lockett, 1988, Pgs. 591-603.

14. Klein, 1971, pgs. 73-74.

15. Ibid.

16. Federal Reserve Bulletin, January 1989, Page A54. The presented statistics document economic activity, consumer earnings and expenditures, overall levels of consumer credit activity and consumer personal savings resources.

17. Mandell, 1991, Page 153.

18. Mandell, 1991, Page 79.

19. Mandell, 1991, Page 89.

20. Ibid, Page A54.

21. Mandell, 1991, Page 153. The spread between the cost of borrowing money and interest rates charged consumers, generation of annual fees on credit cards, and higher late penalties transformed credit cards into a very successful and lucrative financial instrument.

22. See Lockett, 1988, Pgs. 591-603.

23. Ibid.

24. See Cocheo, 1991, Pgs 43-46.

25. Max Weber's discussion of the Protestant Ethic emphasized the religious doctrine against extending oneself beyond one's immediate financial means and paying "high usury

rates." The original domination of 19th century American society by such influences and the ascendance of secular (or materialist) values during the twentieth century is more fully discussed in Max Weber, 1958.

26. Bell, 1976, Page 76.

27. Bell, 1976, accounts for the creation of consumer culture. Bell relates mass consumption with social habits and the impact of social invention. One could argue that the advent of installment credit legitimized the introduction of credit cards as a significant social invention in this elaboration of secular values.

28. Bell (1976:69) summarizes the importance of consumer credit and the overall impact of consumer debt on the lives of American families:

None of this would have been possible without that revolution in moral habit, the idea of installment selling. Although it had been practiced fitfully in the United States before World War I, installment selling had two stigmas. First, most installment sales were to the poor, who could not afford major expenditures; they paid weekly sums to a peddler who both sold the goods and made the weekly collection; installment selling was thus a sign of financial instability. Second, installment selling meant debt to the middle class, and going into debt was wrong and dangerous. As Micawber would say, it was a sign of living beyond one's means, and the result would be misery. Being moral meant being industrious and thrifty. If one wanted to buy something, one should save for it. The trick of installment selling was to avoid the word "debt" and emphasize the word "credit." Monthly charges were billed by mail, and the transactions were handled in a businesslike manner.

29. Bell (1976:69-70) offers the following analysis:

With Adam Smith's idea of parsimony or frugality, and Nassau Senior's idea of abstinence, it was firmly established that saving multiplied future products and earned its own reward by interest. The denouement was the change in banking habits. For years, such was the spectre of middle-class morality that people were afraid to be overdrawn at the bank, lest a check bounce. By the end of the 1960s, the banks were strenuously advertising the services of cash reserves that would allow a depositor to overdraw up to several thousand dollars (to be paid back in monthly installments).

No one need be deterred from gratifying his impulse at an auction or a sale. The seduction of the consumer had become total.

Bell (1976:70) further elaborated on the notion of social status, culture and consumer debt. The following passage reinforces the relationship between status, taste and social achievement:

In America, the old Protestant heavenly virtues are largely gone, and the mundane rewards have begun to run riot. The basic American value pattern emphasized the virtue of achievement, defined as doing and making, and a man displayed his character in the quality of his work. By the 1950s, the pattern of achievement remained, but it had been redefined to emphasize status and taste. The culture was no longer concerned with how to work and achieve, but with how to spend and enjoy. Despite some continuing use of the language of the Protestant Ethic, the fact was that by the 1950s American culture had become primarily hedonistic, concerned with play, fun, display, and pleasure-and, typical of things in America, in a compulsive way.

30. Bell, 1976, Pages 70-71.

31. Bell, 1976, Pgs. 74-75.

32. Bell, 1976, Page 75.

33. Potter, 1954, discusses the impact of economic abundance and a freer consumer attitude toward spending as an important social economic change in American society. In addition, niche marketing becomes a potent force as new products are created for select segments of an ever-expanding consumer sector. The post-Fordist ideology is gradually transformed into a postmodern setting wherein people consumer symbolic goods (or symbols) as viable consumer products. The overall mechanism contributes toward an increase in acceptable consumer debt, a more active lifestyle, and pronounced reliance upon consumer credit with resultant debt problems among many societal members (see Sullivan, Warren and Westbrook, 1989).

34. Mandell, Pgs. 153-154.

35. Cultural capital was discussed within other contexts throughout the thesis study. The best statements on the transition between cultural capital (or symbolic capital) and economic value are rendered by Featherstone, 1990; Zukin, 1990; Urry, 1990; and Bourdieu, 1984.

36. See Sullivan, Warren and Westbrook, 1989.

37. Another well known strategy involves filing for Chapter 11. Chapter 11 is generally used by corporations and partnerships for business reorganizations, but is applicable for individuals. Chapter 11 is considered a more desirable repayment plan than Chapter 13 because the debt settlement is lessened.

Luckett, 1988, pgs. 591-603, provides a comprehensive explanation of the Bankruptcy Reform Act of 1978:

In its current form, the U.S. bankruptcy code contains five "operative" chapters (7,9,11,12, and 13) under which bankruptcy petitions may be filed. Chapter 9 applies exclusively to municipalities and Chapter 11 primarily to business reorganizations. Individuals most commonly file under chapters 7 or 13. Chapter 7 provide for "straight" bankruptcy-that is, liquidation of assets and discharge of debts-and may be used either by business or nonbusiness petitioners. It accounts for about 70 percent of all bankruptcies, and typically, 85 percent of chapter 7 cases are classified as nonbusiness. Chapter 13 provides for the-"wage-earner plans" that involve the full or partial repayment of debts while assets are shielded from creditor action. It is limited to individuals, but insofar as individual may be a sole proprietor with mostly business-related debts, chapter 13 also embraces both business and nonbusiness cases. About 95 percent of Chapter 13 cases involve nonbusiness petitioners. Chapter 12, added to the statute in 1986, is the newest operative section of the bankruptcy code. It makes available to "family farmers" (as defined in the code) the equivalent of a chapter 13 repayment program. Chapter 12 cases are classified as business bankruptcies.

38. Luckett, 1988, page 595.

39. Ibid, Page 598.

40. Sullivan, et.al, 1989, Page 183.

41. See Bell, 1976 for more information.

42. Ibid, Page 197.

43. Hall, 1991, Pgs. 57-64.

44. Ibid, Page 64.

45. Harvey, 1991, Pgs. 65-77.

46. Ibid, Pgs. 70-72.

47. Ibid., Page 68.

48. Ibid.

49. Ibid., Page 76.

50. MacCannell, 1976, renders some of these points in a specific analysis of tourism as a commodity.

51. Toffler, 1971, wrote about the rapid transformation of popular culture and the relationship between personal adjustment and rapid social change. We can now argue that the credit card is not merely a financial instrument: the symbolic value of a consumer's purchasing power facilitates continued adjustment through purchase of the symbolic goods or material possessions. Lefebvre, 1971 was correct: the components of everyday life encompass consumer commodities.

52. See Marcuse, 1965.

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