

Culture of consumerism

The Christmas holidays is the peak of the ‘shopping season’ – when retailers make most of their profit and shoppers spend the most money – but this year saw some worrying trends

CHARLES DICKENS defined the Christmas spirit as “a good time; a kind, forgiving, **charitable**, pleasant time; the only time I know of, in the long calendar of the year, when men and women seem by one consent to open their shut-up hearts freely”.

Christmas is also about the spirit of giving. This has been taken rather literally by modern society, where **consumerism** is king, and at no point is this more evident than the holidays.

Christmas has become a time of shopping sprees and **indulgent** spending. The season has in fact become the most profitable time of year for retailers and businesses throughout the world.

‘Tis the season to make money

JUST how **lucrative** and important the holiday season is to shops is evident from the level of investment merchants are willing to put into marketing at this time of year.

Langham Place (朗豪坊) shopping mall in Mong Kok (旺角), for example, spent nearly HK\$10 million on festive decorations and promotion last Christmas. They set a target to boost business by 25 percent from the previous year and considered marketing essential to attracting customers.

In the West, where giving Christmas gifts is a deeply rooted tradition, overall annual business performance hangs on the December sales.

In the United States, holiday shopping kicks off with Black Friday, the day after Thanksgiving, which is on the fourth Thursday of November.

The word ‘Black’ does not signify bad luck in this instance – quite the opposite. It denotes the turning point when business balance sheets go from ‘red’ (deficit), to black (profit).

Crazed consumers

AS shops hang up their ‘sale’ signs, customers often begin to display some rather un-Christmassy behaviour.

In New York City (紐約市), Macy’s department store in Herald Square attracted a crowd of over 9,000 shoppers outside its front doors last Christmas. Meanwhile, in California (加州), a woman used pepper spray on a fellow shopper in a mad scramble for discount products.

Although this year’s Black Friday did see the usual stampede of crazed consumers, there was one slight, but significant difference. There was an unprecedented product return trend.

A US National Retail Foundation survey of 110 retailers estimated the goods return rate last holiday season to be at about ten percent, compared to seven percent in better economic times, AP reported.

The report quoted a Miami (邁阿密) resident explaining why she

had returned half of the US\$300 (HK\$2,300) worth of books, films and clothes she had bought for her nephews: “When the bills come in and the money isn’t there, you have to return.” In the survey, shoppers admitted having succumbed to the irresistible discount offers, and buying things they did not need and could not afford.

Excessive consumer spending on credit is hardly a new thing in the US. People there have long had a tendency to live on ‘plastic’. What captured media attention this year however was the scale of returned goods after Christmas.

The reason for this is the unfavourable economic climate in the US at the moment. Unemployment is still hovering around nine percent as an after effect of the 2008 recession.

The fact that Americans are succumbing to seasonal shopping frenzies – which they later regret – despite a heightened awareness and caution over personal finances, indicates the extent of crazed Christmas consumerism.

Hong Kong’s consumerism cycle

IN Hong Kong, there were also indications of a contraction in customer spending last Christmas.

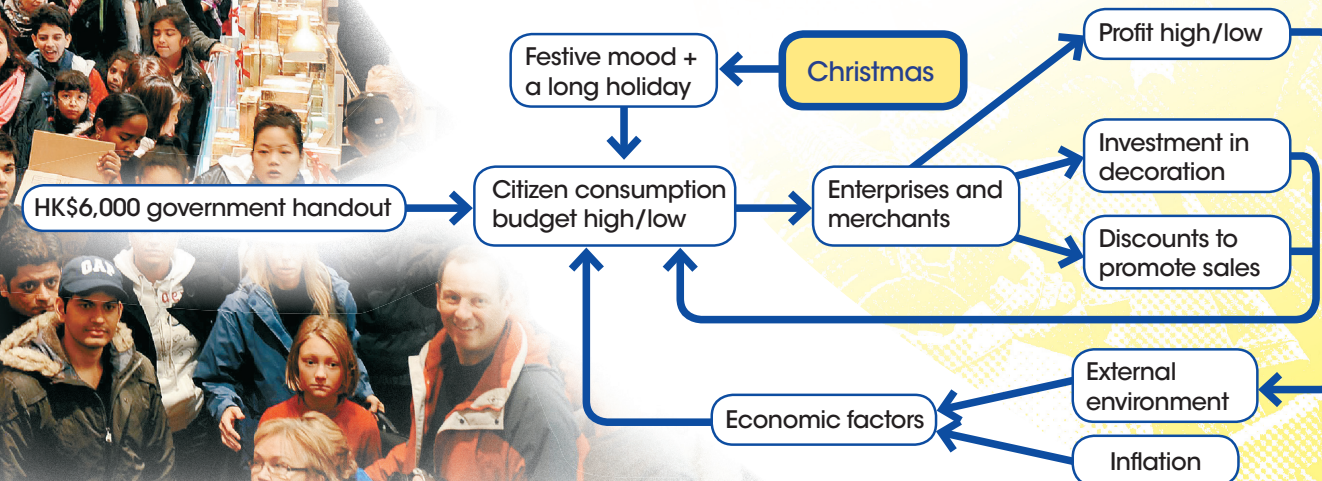
A Shue Yan University (樹仁大學) poll of 2,600 citizens found people’s average shopping budget for Christmas 2011 was HK\$2,012 – down 19.7 percent from 2010.

About 20 percent of the respondents said they would cut down on holiday shopping expenses; a sentiment particularly common among low-income families.

The survey linked the **dampened** shopping desire to the external economic environment as well as the threat of inflation.

To citizens, cutting down on spending is a necessary move in order to survive a potentially long and harsh economic winter. But that does not bode well for the economy at large.

A decrease in consumer spending means less business, and less profits mean companies need to cut costs and lay off staff, which would increase unemployment, and further hit spending power. As with all **vicious cycles**, it is **self-perpetuating**.



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This article enables students to:

1. understand important issues facing their own society, country and the world
2. assess qualities, phenomena, changes, trends and impacts in relation to various aspects of society and culture



Key ideas

Holiday shopping has become a worldwide custom, which is fueling consumerism and over-consumption. However, as current economic woes are dampening customer spending power, the economy is going into a deeper downward spiral. The situation raises the issue of how to strike a balance spending too much and too little.



Did you know?

Anti-consumption generation

The emergence of an anti-consumption generation in Japan (日本) is a phenomenon examined by author Hisakazu Matsuda (松田久一) in his 2009 book *Ken-Shohi Sedai no Kenkyuu* (Research into the Anti-consumption Generation).

He states that the common mentality among Japanese in their late 20s and early 30s is that ‘having cash in the bank is better than buying a car or a house’.

This is very different from previous times, and belongs to what Matsuda calls the ‘post-bubble generation’, a set of people that have witnessed only economic contraction and the decline of their country.

The book argues that this young generation is reluctant to consume, not because of a lack of money, but a perception of future uncertainty. They shun cars, TVs and overseas trips in particular – all dream purchases of the older generations.

After the earthquake, tsunami and nuclear plant catastrophe last March, Japanese people in general have become more restrained in their spending. Official statistics show household consumption for that month fell 8.5 percent year-on-year, the biggest drop in 40 years.

Some Japanese economists are even worried that real growth of the country’s GDP might fall into negative territory.



Critical questions

1. Over consumption can lead a society deeply into debt, but under consumption can also prove deadly for an economy. In your opinion, what level of consumption is right?
2. Do you agree with spending on credit? If you have a credit card, would you spend to its maximum limit, and make only the minimum payment every month? Why?



Reference

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