

Advertising

A whole advertising industry grew up to promote the vast range of consumer goods on offer. It used increasingly sophisticated techniques: adverts were more colourful than before and catch-phrases were introduced. Magazine advertising increased greatly and radio advertising began as a completely new venture.

Shopping

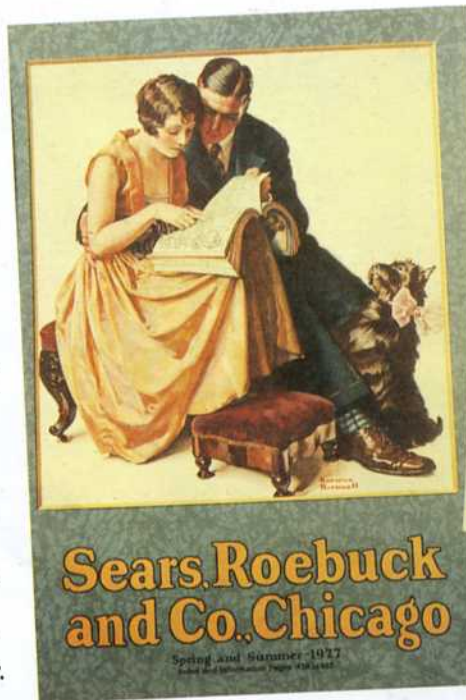


SOURCE 9 The inside of Bloomingdale's, a large chain store in New York

In the cities, chain-stores opened to stock the new range of goods now available. It was at this time that clothing for women started to be mass-produced.

Manufacturers realised that certain dress sizes could be made which would fit most of the women in the country; there was a much wider choice of materials and styles than ever before. Clothing sales went up 427 per cent in the 1920s.

The improving truck industry and road system meant that goods could be delivered more easily by mail order. People living in remote, country areas could buy anything from farm machinery to frying pans and denim jeans. The number of mail-order companies grew enormously. The most famous of these was Sears, Roebuck and Co. of Chicago. In 1928 nearly one-third of Americans bought goods from the company – giving it sales worth \$547 million that year.



SOURCE 10 The cover of Sears, Roebuck and Co. mail order catalogue, 1927

SOURCE 8 An advertisement for a Chevrolet Landau, 1927



SOURCE 11 Advertisement for rayon stockings. Silk stockings were a luxury item. In the 1920s rayon was invented which was a cheaper alternative to silk. In 1930 300 million pairs of rayon stockings were sold

Why was there an economic boom in the 1920s?

Resources

The USA had a great store of natural resources such as wood, iron, coal, minerals, oil and land. These had helped America to become a great industrial power by the beginning of the twentieth century, and provided a sound basis for further expansion in the 1920s.

Impact of First World War

The USA had come out of the war well (see page 16). It had supplied Europe with many goods during the war and had taken over European overseas markets. In some areas, US industry was now the world leader, e.g. chemicals. The war hastened technological change (see below) which US industry seized on.

Technological change

This was a period of great innovation. Plastics like Bakelite were developed effectively for the first time and were used in new household products. There were technological developments in many areas – automatic switchboards, glass tubing, conveyor belts, and concrete mixers. These helped modernise existing industries and develop new ones.

Underpinning all these changes was the development of electricity. Electricity provided a cheaper, more efficient source of power for factories. It also led to the production of new consumer goods such as refrigerators, vacuum cleaners and radios.

Mass-production

New techniques meant that goods could be produced much more cheaply on a large scale. Henry Ford had pioneered mass-production in the car industry by introducing an assembly line (see page 30) before the war. He made cars so cheaply that thousands of ordinary Americans could afford them. In the 1920s, his ideas were applied throughout industry, particularly to the new consumer products.

ALL OF THESE factors fed into the boom. Once it started, the boom became self-generating. The mass-production of cars stimulated the growth of industries that produced parts for cars: tyres, glass, metal and so on. More cars also led to the building of more roads and service stations, and an increased consumption of petrol. The development of electricity stimulated the growth of new industries making electrical products. New companies, setting up offices and large stores, created a demand for more buildings, so helping the construction industry. More people employed and earning a decent wage meant an increasing demand for goods.

The policies of the Republican Presidents

Republican pro-business policies encouraged the boom:

- They lowered taxes on income and company profits, giving the wealthy more money to invest in American industry and buildings, and people more money to spend on American goods.
- They put TARIFFS on imported goods. This made imports more expensive compared with American-made goods and thereby helped American producers.
- They didn't interfere in business or put any controls on financial institutions.

Confidence

Confidence amongst Americans was sky high. This meant confidence to buy goods, invest in companies, and to try out new ideas. Confidence is a vital ingredient in any economic boom.

Credit

The growth of credit made it much easier for people to buy goods even though they did not have enough cash to pay for them on the spot. Firms arranged for customers to pay by instalment or hire purchase.

Mass-marketing

Mass-produced goods have to be sold to a MASS-MARKET: if enough people do not know about or buy the goods, the system will collapse. So companies spent huge amounts on advertising. This new industry developed sophisticated techniques to persuade people to buy. The expansion of the mail-order companies gave consumers in the countryside access to the wide range of goods on offer.

