

Keep the Consumer Dissatisfied

The following article, which appeared in *Nation's Business* just 10 months before the stock market crash in 1929, was written by Charles Kettering, the director of the General Motors Research Laboratories. It reflects the new view of stimulating consumption as a basis for continuing prosperity that many U.S. business leaders adopted in the 1920s.

Not long ago one of the great bankers of the country said to me:

"The trouble with you fellows is that you are all the time changing automobiles and depreciating old cars, and you are doing it at a time when people have three or four payments to make on the cars they already have.

"Yesterday I got an engraved invitation from one of your companies to see a new model. Out of curiosity I went. I darn near bought one. I didn't because you people wouldn't allow me enough money for my old car."

A few weeks later I was again talking with this banker. He appeared to be greatly disgruntled.

"I bought the new model," he barked. "But it was a rotten shame that I had to accept so much depreciation on my old car. You are the fellow who is to blame. You, with all your changes and refinements, made me dissatisfied with the old model."

He paused, then added, mournfully, "And that old car ran like new."

I told him I thought it was worth what he paid—that is, the difference between the old and the new model—to have his mind changed.

He didn't argue over that but he did say something to the general effect that "the only reason for research is to keep your customers reasonably dissatisfied with what they already have."

I might observe, here and now, that he was right. . . .

"You research people are always disrupting things. You cause us more trouble than any other group. I, as a banker, will make a loan to a firm and am apt to discover, in a few days, that you fellows have put this concern out of business. All because your research methods have found different ways

for doing things. Perhaps they are better ways, but what of it? The old ways were satisfactory."

This banker was thoughtless.

Prosperity has nothing to do with dollars in the bank or with bank clearances. Prosperity is measured by the tonnage of useful materials going through the channels of trade. That is what makes prosperity. This is what makes busy workshops and busy railroads. That is what makes everybody happy. . . .

There are no places where anyone can sit and rest in an industrial situation. It is a question of change, change, change, all the time—and it is always going to be that way. It must always be that way for the world only goes along one road, the road to progress. Nations and industries that have become satisfied with themselves and their ways of doing things, don't last. While they are sitting back and admiring themselves other nations and other concerns have forgotten the looking-glasses and have been moving ahead. . . .

The younger generation—and by that I mean the generation that is always coming—knows what it wants and it will get what it wants. This is what makes for change. It brings about improvements in old things and developments in new things.

You can't stop people being born. You can't stop the thing we call progress. You can't stop the thing we call change. But you can get in tune with it. Change is never waste—it is improvement, all down the line. Because I have no further need of my automobile doesn't mean that that automobile is destroyed. It goes to someone who has need for it and, to get it, he disposes of something that is unnecessary to his happiness. And so on to the end where the thing that is actually thrown away is of no further use to anyone. By this method living standards, all around, are raised. . . .

If automobile owners could not dispose of their cars to a lower buying strata they would have to wear out their cars with a consequent tremendous cutting in the yearly demand for automobiles, a certain increase in production costs, and the natural passing along of these costs to the buyer.

If every one were satisfied, no one would buy the new thing because no one would want it. The ore wouldn't be mined; timber wouldn't be cut. Almost immediately hard times would be upon us.

You must accept this reasonable dissatisfaction with what you have and buy the new thing, or accept hard times. You can have your choice.



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