

## What Causes Change in Demand?

It is very simple: producers make what consumers want. If they do not, they won't make a profit. However, producers can persuade consumers to demand certain products.

Producers get the attention of consumers using clever advertising. However, we are also persuaded by seeing what famous personalities use and wear.

## Case Study

In 1991 Jamie Armstrong was in S1 at high school. After school, Jamie would go home and change into his favourite shell suit. Sometimes Jamie would meet his friends and walk up to the video rental shop. They would rent a video and go back to Jamie's house to watch it. 2009 is the year Jamie turned 30. His dress down outfit is more likely to be G-star jeans and a Teddy Smith jacket. He doesn't own a video player but does own a laptop computer. He downloads films onto his laptop.

Clearly, what Jamie demands in 2009 is very different from 1991 — but what has caused the changes?

- ✓ Taste and fashion has changed because designers offer consumers new styles.
- ✓ Technology has changed, allowing consumers, the convenience of downloading films which they can watch

There are always factors that affect a business that it can not control for example, no one would buy sun loungers during a wet summer!

## TASK 1

Demand for foreign holidays has grown massively in the last 10 year (although not just now). Look at the list of factors shown below. Which factors would explain the increased demand for foreign holidays?

Demand for Foreign Holidays	YES	NO
Many consumers have more money to spend.		
Cheap air travel has increased.		
Warmer summers at home		
More shows on TV about foreign destinations		

## TASK 2

Look at the list below of goods/services for which there is little or no demand nowadays. What are the possible reasons for the fall in demand for the products (you may have to google these items to find out about them!).

- ❖ Sony Walkman portable CD player
- ❖ Video recorder repair shop
- ❖ Smoking area in a restaurant

## TASK 3

Nowadays, consumers are more aware about environmental issues. Make a list of FIVE products which are demanded nowadays because they are kinder to the planet. You could use the categories:

- recycle
- reuse
- reduce

#### **TASK 4**

2006 was a good summer in Scotland, with many warm and sunny days. Make a list of FIVE goods/services for which demand would increase during a warm summer.

#### **DID YOU KNOW?**

Life expectancy in countries like Scotland has increased in recent years. A Scottish woman in 1980 would have expected to live to around seventy-five but nowadays can expect to reach the grand old age of eighty.

There is therefore an increased demand for products for older people - for example, package holidays for the over sixties. Products such as stair lifts, which can allow an older person to remain in his or her own home, have also increased in demand.

#### **TASK 5**

List any business that aims its products at old people.