

# Immigrant Consumer Experiences and Marketing Activities in the Early 20th Century: A Reading of Upton Sinclair's *'The Jungle'*

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*Upton Sinclair's The Jungle has been one of the most influential novels of the twentieth century. Apparently based in reality, the novel played a significant role in bringing about awareness of food safety and purity, and in the development of public policy in the area of food processing. The Jungle also contains several accounts of consumer and market experiences of immigrants in the early 20<sup>th</sup> century. This paper analyzes the prominent among these narratives with the goal of identifying features of consumer behavior and market functioning in that era. A comparative analysis of these historical narratives and present day market realities reveals that while much has ostensibly changed in the past century, much has remained the same.*

## INTRODUCTION

Among literary works of fiction, few novels have been as influential in engaging public discourse and influencing public policy as Upton Sinclair's *The Jungle*, which described the life of a family of immigrants living in Chicago and working in the meat-processing industry at the dawn of the 20<sup>th</sup> century. Long considered an American classic, *The Jungle* has been among the top five supplemental texts used in undergraduate survey of history courses at American universities (Cohen, 2005), and is most often introduced to American readers during their college years (Phelps, 2006). The role of *The Jungle* in influencing public policy on food purity and safety is generally well-known and well documented. However, the novel also contains rich narratives of immigrant consumer experiences in the early 20<sup>th</sup> century, which have received comparatively meager research interest. This paper provides a reading of *The Jungle* with a focus on the nature of immigrant consumer experiences and marketing activities in the early 20<sup>th</sup> century. The paper identifies patterns of consumer behavior and marketing activities, especially as they relate to immigrant and underprivileged groups. The effects of market imperfections on underprivileged market groups such as immigrants have become a concern of marketing researchers in recent years; historical narratives that describe an era coterminous with

the development of marketing institutions and thought can lead to a better grasp of such concerns.

## BACKGROUND

Upton Sinclair (1878-1968) occupies a prominent place in the world of American letters. A prolific writer, with ninety books to his credit, Sinclair's cumulative work cannot be slotted in any one category (Eby, 2003). Labeled a 'muckraker' by his detractors, Sinclair is considered part historian, part investigative journalist, and also a propagandist for socialism (Kantor, 1976). Of his prolific work, the one book that stands out in prominence is *The Jungle*, initially serialized in the socialist publication *An Appeal to Reason* and first published in book form in 1906.

Dedicated to "The Workingmen of America," *The Jungle* chronicles the lives of Jurgis Rudkus and his immediate and extended family, all Lithuanian immigrants in early 20<sup>th</sup> century Chicago. The central refrain of the novel is the exploitation of immigrant labor in the meatpacking plants of Chicago's stockyards, and their domestic and social lives in the surrounding neighborhoods, collectively referred to as 'Packingtown.' *The Jungle* also offers several narratives of consumer experiences of the novel's protagonist and his family. These narratives cover consumer behavior, and marketing activities of businesses that consumers deal with. Other narratives focus on aspects of the law enforcement and judicial systems, white slavery, industrial pollution, and an all-pervasive collusion among capitalists, government officials and elected politicians. These narratives were intended to shed light on and create sympathy for the plight of immigrants who were, in Sinclair's view, beset with exploitative practices in nearly all sectors of American life that they interacted with. The protagonists are buffeted by one misfortune after another, all of which arise out of the purported venality of capitalist institutions. Sinclair's voice is not that of a dispassionate narrator – indeed, the author's sympathies clearly lie with the working class that is depicted as being exploited at every turn, whether it is by employers, merchants, or government entities. Indeed, in *The Jungle*, there is a widespread and deep-seated collusion among businesses

large and small, the agencies of law, justice and government, and even some parts of the labor movement.

While the author's goal was to expose employment conditions at the meat-packing plants with a view of serving the workers' interests, the book's shock value created greater outrage at the food-handling practices described in the novel than sympathy for the workers (Sinclair, 1906). As Pickavance (2003) says, "When Sinclair wrote *The Jungle*, he intended it to have the same effect on his readers that the socialist speech had upon Jurgis: he wanted his reader to have a kind of conversion experience. But Sinclair's readers were drawn instead to his descriptions of meatpacking and other food frauds, and they read his novel not as potential socialists but as consumers" (pp. 95). Upton Sinclair and his publisher's press agent both sent copies of the book to President Theodore Roosevelt, who promised an investigation of the allegations made in the book. It was this investigation and others conducted independently by the media, that led to the enactment of the Pure Food and Drug Act in 1906. Thus, the novel has become a symbol of the potential of literature to provoke outrage and generate reform (Pickavance, 2003).

Sinclair claimed that the fiction in *The Jungle* was a thin disguise on the realities he observed in the Chicago stockyards. Analysis of historical accounts of a particular point in time and place can provide insights into consumer and market behavior (Stern, 1989). However, critics of Sinclair, especially those in conservative circles – designated it merely a figment of a rabidly ideological imagination. Even as works of fiction, novels can serve a pedagogical purpose (Patterson and Brown, 2005) and, following the call of Belk (1986), there has been an interesting body of research (e.g., Hirschman, 1990; Patterson and Brown, 1999) attempting to glean insights into consumer behavior from novels in a variety of genres. Even as a work of pure fiction, *The Jungle* can still serve as a window to immigrant life experiences at the beginning of the 20<sup>th</sup> century.

Since its publication in book form in 1906, numerous editions of *The Jungle* have been printed. In this paper, the Norton Critical Edition *The Jungle: An authoritative text, contexts and backgrounds, criticism* (Sinclair, 2003) edited by Virginia Clare Eby is used for analysis.

### The Family

*The Jungle* is a chronicle of Jurgis Rudkus, a young immigrant from Lithuania, and an extended family whose contours are shaped by the marriage between Jurgis and Ona Lukoszaite. Jurgis and Ona first meet at a horse fair in their native Lithuania. Before Jurgis can pursue his proposal of marriage to Ona, her family falls upon hard times and is in debt due to Ona's father's death. Ona's family is now headed by her stepmother Teta Elzbieta

(Aunt Elizabeth). Jurgis wishes to marry Ona, but she refuses, for fear of having to leave her stepmother. Ona's brother Jonas suggests that they all migrate to America to seek a better life. Thus, Jurgis and his father Antanas Rudkus (Grandfather Anthony /Dede Antanas), Ona and Jonas, Teta Elzbieta and her six children, along with Ona's cousin Marija Berczynskas, set out for America. This extended family of twelve makes its way from rural Lithuania to the meatpacking district of Chicago.

### CONSUMER EXPERIENCES AND MARKETING ACTIVITIES

The consumer experiences and marketing activities narrated in *The Jungle*, while not given prominence in the body of literary and historical studies of the novel, provide an interesting window into market imperfections in the U.S. at the turn of the previous century. In the following sections, I will review several of the narratives with a view to deriving supplementing the historical record of the period, and understanding patterns of consumer behavior and marketing activities of a century ago.

#### The Wedding

The first chapter of *The Jungle* opens with a narration of the *veselija* – wedding feast – of Jurgis and Ona in an area described by Sinclair as "back of the yards": a poor, working class neighborhood populated mostly by employees of the meatpacking district. The immigrants, though poor, are keen to preserve the traditions of their homeland in the conduct of the wedding, and offer considerable hospitality to the guests. While the tradition of hospitality and a grand celebration of a wedding are being maintained at great financial stress, Sinclair describes the process of acculturation at work among the wedding attendees. In attire, the older attendees include items and details that are reminiscent of the old country: "...an embroidered waistcoat or stomacher, or a gaily colored handkerchief, or a coat with large cuffs and fancy buttons." (pp. 13). However, the younger men prefer to affect the dress of the new country, which goes better with their relative proficiency in the English language, and the transformation of their identity into that of Americans.

A second manifestation of acculturation, purportedly a negative one, relates to the obligation of the guests. The centerpiece of the wedding celebration is the *acziavimas*, a ceremony that runs uninterrupted for several hours, wherein the men take turns dancing with the bride, and after dancing are expected to make a gift by putting money into a hat held by the bride's step-mother. The money gifted is commensurate with the guests' financial capacity and their estimation of the privilege of the dance. This gifting is a means of defraying the expenses of the wedding as well as leaving the new couple with a fund for starting their

married life. This institution of mutual obligation between the host and the guests, however, is shown as beginning to fray, mostly due to the social scoffing of younger men. These younger men use different subterfuges to escape their social obligations.

The first market experience narrated in *The Jungle* comprises dealings between the hosts and Z. Graiczunas, wines and spirits merchant and operator of the saloon serving as the venue for the wedding. Graiczunas is the purveyor of beer and liquor for the event. The hosts have not been able to get a reasonably accurate estimate from Graiczunas for the supply of beer and liquor. The amount of goods billed for is much higher than the estimate, with the merchant blaming the guests' liberal drinking for the excessive bill. Graiczunas is described as also engaging in other unsavory practices – not giving full measure for what he charges, and also substituting lower grade merchandise than that billed for. Complaints are described as being futile: they would not get any response, and may actually cause unpleasantness that could ruin the festivities. There is also no external recourse to the buyers – Graiczunas has political connections, and it is implied that such people are not to be confronted. Indeed, the buyers are in a position where they are at the mercy of the saloon keeper, and have to deal with him on his terms.

The wedding narrative dwells on aspects of acculturation among the Lithuanian immigrants and the asymmetry between the immigrant buyers and a powerful seller. The process of immigrant acculturation is described by Sinclair as occurring not across the temporal divide between generations or even across the lifespan of one generation, but within a much shorter time frame – that between older and younger immigrants. The behavior of the younger guests may be considered “culture swapping”, the process of adopting the cultural elements of another cultural group (Oswald 1999). This culture swapping is portrayed by Sinclair as being decidedly negative, since the individuals are opportunistically choosing the benefits of their culture of origin while shirking its corresponding obligations. The buyer-seller asymmetry is emblematic of predatory mercantile practices that have been studied elsewhere – see, for example Corbin (1981) for descriptions of the *company store* and Caplovitz' (1963) thought provoking book *The Poor Pay More*. The interesting angle that Sinclair provides is the lack to redress for buyers resulting from the co-optation of putative regulatory institutions by marketers, resulting in severe market disadvantage to consumers.

### The American Dream: Buying a House

The purchase of a home is a process fraught with hope, trepidation, risk and remorse in the best of circumstances. In *The Jungle*, we see an especially peculiar situation of

functionally illiterate buyers navigating a complex process in a system they are unfamiliar with.

With several members of employed, the family believes it has the right to think about buying a house. The family is renting, and the possibility of buying a house is indeed a serious subject for the family. The purchase process is described in a fair amount of detail, with descriptions of the promotional material, the sales encounter, the terms of sale and financing, and the buyers' post-purchase experience.

The initial stimulus for consideration of the purchase is an advertising placard that Jurgis sees being distributed door-to-door, and of which he obtains a copy. Jurgis cannot read, and has another man read out the pamphlet to him. The placard is well produced, touting both the emotional and rational benefits of home ownership, and has substantial pictorial content.

The placard's pictorial content is described thus: “.....was quite a work of art. It was nearly two feet long, printed on calendered paper, with a selection of colors so bright that they shone even in the moonlight. The centre of the placard was occupied by a house, brilliantly painted, new and dazzling. The roof of it was of a purple hue, and trimmed with gold; the house itself was silvery, and the doors and windows red. It was atwo-story building, with a porch in front and a very fancy scrollwork around the edges ..... in one corner, was a picture of a husband and wife in loving embrace; in the opposite corner was a cradle, with fluffy curtains drawn over it, and a smiling cherub hovering upon silver colored wings. ....” (pp. 45).

The textual content of the advertisement spells the word ‘home’ in three languages – Polish, Lithuanian and German. The advertisement uses rhetoric, asking readers why they should be renting when they can own a home; it proceeds to inform them that they can own a home for less than what they pay in rent. The seller's credentials are also mentioned – that they “.... have built thousands of homes which are now occupied by happy families” (pp. 45). The advertisement is described as eloquent in portraying a happy life for homeowners, with freedom from the payment of rent.

The family is given to understand that the house, which appears in the advertising to have four bedrooms and a basement, would cost them fifteen hundred dollars, with a down payment of only three hundred and a monthly payment of only twelve dollars. Initial deliberations among family members involve estimating their joint resources, and the family reaches the conclusion that they would be better off paying installments on the house as compared to paying rent, since they expect the installment payments to cease at a future date.

Interactions ensue between the family and agents of the company selling the home. The initial fact finding mission is undertaken by Marija, Ona and Teta Elzbieta. Accounts of the sales agent portray him as being smooth, and

claiming to act ostensibly in the buyers' interest. The agent assures the ladies that the houses were indeed as advertised, and that he is a disinterested party, merely acting on behalf of the builder. The agent creates a sense of urgency, claiming that the advertised homes are the last few available, because of the builder going out of business. Indeed, he goes so far as to claim that none may be available by the present time, since there had been several other prospective buyers, and the last house may have been sold. The agent offers to make a telephone call at his own expense to have a house kept for the family if they are serious about making the purchase.

Three days later, the family visits their future home. The sales agent is impressively dressed, fluent in Lithuanian, and speaks incessantly, not allowing the family a chance to ask questions and have them answered. The agent is glib, and provides a facile answer to a question that the family asks about the vacant state of other homes in the neighborhood. The perceived social inferiority of the family *vis a vis* the sales agent is portrayed as cause of the family's unwillingness to challenge the agent, express their doubts and seek answers to questions they had planned to ask. The sales interaction in between two clearly unequal parties – the family of peasant immigrants is no match for the sales agent.

Discrepancies between the advertisement and the actual house are evident; however, other considerations compensate for and override perceived deficiencies in the product. The deficiencies are explained away by the agent, or turned around to be purported advantages of the house.

The decision-making process involves the whole family, as resources will be pooled by all the adults in the family. While the sales agent is glib and attempts to create urgency, the family is circumspect. The family receives a contrarian input into their decision-making from Jokubas Szedvilas, a delicatessen owner and friend of Jonas' from Lithuania, who warns them about the transaction as likely to be an attempt to defraud simple people out of their money. While Szedvilas' warning influences the family to rethink about the purchase, Jonas discounts Szedvilas' advice, characterizing him as a pessimistic, unsuccessful businessman. The family is inherently distrustful of businesspeople, and sees the purchase as fraught with risk. However risky it may appear, it is also seen as a better alternative to paying rent.

The closing of the purchase does not proceed smoothly – Szedvilas, who has accompanied the family as an interpreter – finds out in his perusal of the contract that the contract is for a rental of the property, and not outright purchase. The contract itself is confusing to the family due to its legalese. They insist on getting the advice of a lawyer and refusing the agent's offer to arrange one, seek one on their own. However, their lawyer appears to be on first name terms with the agent, a fact that causes further concern. There is substantial post-purchase dissonance –

Jurgis, who had not been at the closing, takes the contract to another lawyer for a second opinion. The lawyer explains away Jurgis' concerns, stating that it is the norm for the property to be considered a rental until all the installments have been paid and that so long as the buyers keep up with their payments they have no reason to be concerned about the contract.

Post-purchase dissonance about the house strikes the family again, when the family meets Grandmother Majauskiene, an elderly Lithuanian widow who lives a block away. Grandmother Majauskiene informs the family that the house they have purchased is not new, but about fifteen years old; that it is priced at over three times what it had cost to build. Grandmother Majauskiene discloses the seller's business model as a criminal *modus operandi*: selling houses to people who could afford them with difficulty, then repossessing and reselling the houses if the buyers defaulted even on one monthly payment. The old lady even suggests that many of the houses bring ill-luck to occupants, and relates cases of occupants who suffer from sickness and death, especially from consumption (tuberculosis). However, what shakes the family's sense of well-being is Grandmother Majauskiene's pointing out that the twelve dollar installment that the family understands to be its only obligation does not cover interest on the unpaid balance of the house, and that another seven dollars would be due each month. The family confronts the agent the next day: the agent acts pained, and explains away his initial lack of disclosure of the interest – he expects buyers would understand that they have to pay interest on the outstanding amount. This newly apparent financial burden causes consternation in the family, and the coping response is to put additional members to work so that the extra financial obligation can be met.

Sinclair's socialist leanings have, like in the rest of the novel, painted the family as members of the proletariat set upon by a predatory capitalist system. Ideology aside, the home-buying narratives provide interesting insights into historical marketing methods. Also described is what appears to be text-book consumer decision-making for a high involvement product – from a time several decades before models of consumer decision-making (e.g., Howard and Sheth 1969) were postulated.

### Furnishing the House: 'Feathering the Nest'

Having moved into their new house, the family proceeds to furnish it. Sinclair describes the plethora of offers of home furnishings – with accompanying offers of installment credit – in Packingtown. The furnishing of the home and the requisite shopping are described as times of giddy excitement for the family, especially for the women. The furnishing narrative, though brief, depicts high consumer involvement, aspects of personalization of

property, and the value of domestic surroundings in enhancing psychological well-being.

The United States has been characterized as a materialistic society, with due criticism of materialism and the business practices fueling it (Galbraith, 1958; Packard, 1957). The family's movement towards seeking a sense of permanence in their new homeland is shown as leading to their acquisition first of a house and then of its furnishings. While Sinclair does not directly criticize this movement – as one might expect from a socialist – the family's resultant financial precariousness and the ensuing misery from putting the aged and young members of the family to work is shown as an unhappy denouement to their materialistic actions.

### Arranging a Funeral

Antanas Rudkus, Jurgis' father, is described as suffering from illness that is apparently consumption. Antanas' ill-health and infirmity, compounded by his work conditions, eventually makes him an invalid, and brings about his death by hemorrhage. The family is forced by their circumstances to minimize funeral expenses, and Jurgis is described as spending a good part of a day negotiating for funeral services. Jurgis, having to some degree learnt the ways of commerce, is shown as making a contract with the undertaker in the presence of witnesses. This helps Jurgis in refusing to pay when the undertaker attempts to charge him for additional expense items. The family is distraught at the death of Antanas and the indignity of frugal funeral arrangements; however, they are forced to be minimalistic in order to avoid financial ruin. The funeral arrangements being a source of potential bankruptcy for the family and also the need to negotiate prices and avoid being overcharged provide a look at funeral industry practices in early 20<sup>th</sup> century America.

By this time, Jurgis Rudkus is more proficient in the ways of the market, and is shown as not only being circumspect about the behavior of sellers but as also able to negotiate his way through transactions. There is evidence of the consumer socialization process at work with Jurgis becoming aware of the many pitfalls of the market and learning how to avoid them.

### The Saloons of Packingtown

About halfway through the novel, Jurgis is described as having "discovered drink." Jurgis' taking to drink is ascribed to his deplorable work conditions and the physical stress and pain that he endures on a daily basis. Aiding Jurgis' descent into alcoholism is the abundance of saloons in Packingtown – at every corner, and perhaps even between – that provide warmth, company, hot food and sometimes even entertainment. Jurgis' first acquaintance with Packingtown's saloons is as places to eat his dinner

while at work. The saloons provide an alternative to eating in the unpleasant surroundings of his workplace. Saloons are described as being clustered near Packingtown's plants, in areas called "Whiskey Point" and "Whiskey Row". The saloons offered free food and a warm atmosphere, with the condition that patrons buy drinks. They also offered check-cashing facilities to workers (Eby, 2003). Sinclair lists the fanciful names of some saloons: "Home Circle", "Cosey Corner," "Firesides," "Hearthstones," "Pleasure Palaces," "Wonderlands," "Dream Castles" and "Love's Delights" (pp. 80). Saloons in the earlier twentieth century served as workingmen's clubs, second homes, meeting points, locations of public toilets and venues for political activity (Kingsdale, 1973). According to Kingsdale (1973), the product policy and pricing dynamic in saloons in the early saloons were aimed towards maximizing revenue from drink sales. Saloons would serve free lunch, offer free snacks during the day, or offer a "businessman's lunch" that would be more competitive than neighboring restaurants' offerings. The food would be salty and spicy, to enhance thirst that would then have to be slaked by beer purchases. Brewers subsidized the lunches by providing saloons with food materials purchased in bulk at low rates. Thus, a (loss) leader pricing for food to boost alcohol sales is evident in Sinclair's narratives of Packingtown's saloons.

### THE REPETITION OF HISTORY?

The old adage "Those who do not learn from history are condemned to repeat it" appears to assume a linear progression of human events with repetition of episodes that the actors have not learned from. A hundred years later, the narrative of *The Jungle* raises questions about what lessons have been learned in the past century. Possibly the adage that is more fitting when we compare Sinclair's 1906 account and early twenty first century realities is "The more things change, the more they remain the same." On closer examination, the parallels become eerie, leading to the questions about the purported reform of markets that has occurred in the intervening century.

### Food Safety

The area in which *The Jungle* had notable impact was that of food safety. After the publication of the novel, several bills on meat inspection and food safety that had been stalled in congress were expeditiously passed and made into law (Crunden, 1982). The Pure Food and Drug Act was passed in 1906, and many decades later, the Wholesome Meat Act of 1967 sought to close loopholes in preceding legislation (Jensen, 2000).

In the early 21<sup>st</sup> century, other concerns are being raised about the safety of America's food supply. The incidence of Bovine Spongiform Encephalitis (mad-cow disease), avian flu, melamine-tainted products from China, toxic seafood

and the entire range of genetically modified foods are topics that have been matters of concern for American consumers from time to time even if ephemerally. Exposés such as *Fast Food Nation* (Schlosser, 2001) and the film *Super Size Me* occasion mild protestation, followed by defensive public relations by the affected businesses. While criminal collusion between the food industry and its regulators is hopefully a thing of the past, the influence of industry groups on food safety policy persists. The lack of funding for regulatory agencies is also a factor that hampers their operations: in 2008, the U.S. Government Accountability Office designated the oversight of food safety to be a matter of high risk, and called for government-wide examination of the food safety system (U.S. Government Accountability Office, 2008). The U.S. Government Accountability Office (2008) cites a report by the Food and Drug Administration's Science Board as stating: "that FDA is not positioned to meet current or emerging regulatory needs..... FDA does not have the capacity, such as staffing and technology, to ensure the safety of the nation's food supply" (pp. 2). With an increasing portion of American's food supply chain originating or passing through other countries, the concern about food-safety practices ought to be a matter of greater concern than it appears to be.

### Immigrant Consumers

In a nation of immigrants, the immigrant experience has been romanticized, eulogized, and made an object of academic inquiry in its myriad facets. Sinclair's depiction of the Lithuanian immigrant family was seriously influenced by his ideological leanings towards socialism. The immigrant is seen initially as being a noble individual set upon to be exploited by all sorts of forces in his new homeland. The family in *The Jungle* eventually learns to adjust to the realities of America, after enduring much pain due to the predations of the employers, merchants and authorities they come into contact with. Even when they adopt practices that may be illegal, unethical or likely to meet with disapproval, Sinclair explains their behavior as born of necessity. For example, in the latter part of the novel, Marija has become a prostitute: when confronted by Jurgis, she points to her choice of profession as having been the only way to fend off starvation for what is left of the family. In another narrative, the younger members of the family are forced to take up work as newsboys and engage in fared-dodging on the tram lines that take them to work and back. The narrative appears to justify this deviant consumer behavior as being a victimless crime, since the tram operators are unethical and have procured their tram operating contracts through unsavory means.

Research into the consumption and market behavior of immigrants has attracted a growing interest in the past three decades. Studies have focused on acculturation and

assimilation (e.g., Chung, 2000; Wallendorf and Reilly, 1983), the role of consumption in the development of immigrants' new identities (Hill and Somin, 1996), the nature of immigrant consumers' susceptibility to interpersonal influence (D'Rozario and Choudhury, 2000; D'Rozario 2001), the role of immigrants' acculturation on their view of ethics (Swaidan et al. 2006) and several other themes. In recent years, there has also emerged a 'post-assimilationist' perspective posits that immigrant cultural identities do not necessarily comply with the notion of a melting pot of immigrants (Askegaard, Arnould and Kjeldgaard, 2005; Peñaloza, 1994), but retain some degree of separateness.

The market asymmetry between the immigrant, especially those who are poor and lack education and English language skills continues to exercise the interest of public policy advocates and scholars a century later. For instance, Peñaloza (1995) brings to the fore the disadvantages Mexican immigrants to the United States face in the marketplace due to language barriers, illiteracy, and inexperience. Further, Peñaloza (1995) notes that due to their illegal immigrant status, some cannot seek redress for wrongs in the marketplace, and that "[Latino] immigrants still retain a stigmatized, subordinated, and segregated presence in this country" (pp. 92). Marlowe and Atilas (2005) found consumer fraud against Latino immigrants to be common in the United States, and identified several factors responsible – these included individual characteristics such as inexperience, lack of education and illegal immigrant status, market structure factors such as dependence on stores in ethnically dominated neighborhoods, and outright exploitation by merchants. A hundred years since *The Jungle*, market asymmetry and exploitation continue to plague immigrant consumers.

### Housing Finance

The home buying episode in *The Jungle* displays fraudulent practices in the selling of a house to the family. Salient features of the transaction include a smooth-talking sales agent facing functionally illiterate buyers, lack of comprehensible disclosure of terms, the creation of a false urgency by the seller, and the misrepresentation of an old house as a new one. The promotional materials described in the novel appear to tempt those who rented homes to venture into buying one, irrespective of their ability to fully understand and meet their debt obligations. The housing finance industry has seen considerable reform since the early 20<sup>th</sup> century. Significant among these have been the creation of the Federal Housing Administration (FHA) in 1934, passage of the Fair Housing Act in 1968 and the Housing and Community Development Act in 1974. The process of a home sale and mortgage writing has also come under the purview of the Department of Housing and Urban

Development (HUD), with the requirement of a standardized HUD settlement statement form to be used for loan closing. Further, many states and local jurisdictions have implemented building codes to ensure compliance with standards of safety and durability of structures. However, in light of events of the past two years in the housing market, only the naïve would think that the housing and home finance industries are free from malpractices. Tracing the causes of the present global financial crisis will at some point lead one to mortgage lending policies and practices in the past few years. The practice of sub-prime mortgages i.e., home loans to those who would not qualify under ordinary standards of creditworthiness, combined with the lure of adjustable rate mortgages did indeed attract many who should not have received those loans. The role of unethical practices in mortgage origination, driven by lucrative fees and bonuses for agents have been well documented in the press (Der Hovanesian 2008). The foreclosure rate on mortgages issued by predatory lenders is said to be more than ten times that for other mortgages (Matz, 2005). Even as the lending industry is belatedly attempting to create greater oversight and to tighten lending standards, there are reports of rising incidence of predatory lending and mortgage fraud (Colter and Terris 2008). The present author, living in a large metropolitan area of the United States, continues to see advertisements with the same rhetorical question that faced the family in 1906: "Why rent when you can buy?" and also "\$ 0 moves you in."

### Consumer Credit

The family in *The Jungle* sees advertising for furniture and home furnishings and buys these on installment credit. The advertising described by Sinclair does not mention the rate of interest charged on the installment contracts. However, in her notes, Eby (2003) writes: "Installment purchases, often carrying exorbitant interest charges, were common before modern forms of credit became available" (pp. 54). As with installment purchases today, there is no explicit mention of the interest rate in the body of the advertising; if at all disclosed, it may have been buried in the legalese of the contract. Since the Truth in Lending Act – which requires creditors to disclose the annual percentage rate, the amount financed, the finance charge and schedule of payments – was enacted in 1968, the lack of any meaningful disclosure in 1906 is all the more plausible. Even if the interest rate and terms were made available to the buyers, it is unlikely that the family, with its limited literacy and numeracy, would have been able to estimate the true cost of ownership of its installment purchases. Elsewhere in the novel, the saloons clustered around plant entrances are described as offering check-cashing services. The terms of these services are not specified. It is reasonable to assume a lack of bank patronage by the

working population of Packingtown (due to their illiteracy and also the frequent runs on banks mentioned in the novel); therefore the lack of competition is likely to have allowed the saloon owners to get away with adverse terms for their check-cashing services.

In spite of "modern forms of credit" being available, predatory installment and other consumer lending appear to be alive and well a century later in their present day avatars of rent-to-own (RTO) and payday lending. The RTO industry has been criticized by consumer advocates since the early 1980s (Martin and Huckins, 1997). Lacko, McKernan and Hastak (2002) found most RTO customers to have low incomes and education; further, the RTO industry raises concerns about high effective prices paid by customers, abusive collection practices, late-term repossessions, the charging of additional fees, and misrepresentation of items as being new when they are not. In spite of state and federal legislation seeking to enhance consumer protection, and notwithstanding arguments in its defense (e.g., Anderson and Jackson, 2001), the RTO industry's practices remain problematic (Fogarty, 1994; Hastak 2004; Hill, Ramp and Silver, 1998).

### Funeral Industry Practices

By the time Jurgis has to make arrangements for Dede Antanas' funeral, he has learned the ways of the market in America; not only does he negotiate the terms of the funeral, but also places a contractual obligation on the undertaker by concluding the deal in the presence of witnesses. The funeral industry has been the object of criticism for much of the twentieth century (Kopp and Kemp, 2007a). The Funeral Industry Practices Rule of the Federal Trade Commission was passed in 1984, asserting the rights of consumers to choose the services they want, and requiring price disclosure by funeral directors through a general price list (Kopp and Kemp, 2007a). While the law provides consumers with rights in buying funeral services, a study by Kopp and Kemp (2007b) showed that most consumers are not aware of their rights in funeral services purchasing, and that consumer education in this category is warranted. Considering the emotionally disturbed conditions under which most funeral purchases are made, it is likely that such a lack of awareness may not be serving consumers well.

### CONCLUSION

*The Jungle*, one of the enduring works of American fiction, has deservedly been named one of the most influential novels of the 20<sup>th</sup> century (Jensen, 2000). The consumer experiences and marketing activities described in *The Jungle* provide a historical picture of market practices in early 20<sup>th</sup> century America, especially as they affected immigrants. Upon analyzing these narratives and

comparing the realities of the early twenty first century, a sense of déjà vu is inevitable. For, in spite of the policy reform of the intervening century, many aspects of the market bear a disturbing resemblance to the narratives of *The Jungle*. Many undergraduate programs in the United States use *The Jungle* in their common reader programs to apprise students of some of the historical realities of American life and commerce. The novel presents an excellent opportunity as a supplemental text for illustrating consumer behavior and marketing and business ethics. Revisiting *The Jungle* in a marketing or business course can not only help students to appreciate the value of historical analysis, but also clarify for them many of the concepts they are exposed to in the business curriculum.

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