Activity 1
WHO INVENTED BAD BREATH?

The time period is the 1920s. People are going to drugstores to buy a new product. They pull out their money to buy bottles of strong-tasting liquid. Then they take the bottles home to their bathrooms where — morning, noon, and night, without anyone forcing them to — they take big gulps of this bad-tasting liquid, swish it around in their mouth, and then SPIT IT OUT! What is going on? Were people at this time so foolish they could be talked into giving up their hard-earned money to buy awful-tasting liquid and then spit it down the drain?

Look at the important clue given to you by the teacher and try to explain what is going on in this picture. Try to decide what incentives are influencing the choices made by producers and consumers in this situation.

Answer the following questions. (Hint: there may be more than one answer to the questions.)

1. What product is the ad describing?
2. What benefits does the ad promise to consumers who choose to buy the product?
3. What costs does the ad suggest will be paid by consumers if they do not use the product?
4. Which consumers would have tended to buy this product after reading this ad?
5. Which consumers would have tended not to buy this product after reading this ad?
6. What is the incentive for producers to focus on the problems of their customers?

Explain what it means to say that bad breath was invented in the 1920s. Use your analysis of the incentives involved and how circumstances in the 1920s differed from those of earlier time periods.