

YouTube Title: "Hudsucker Proxy, The (1994) scene"

<http://youtu.be/Ng3XHPdexNM>

Video Length: 3:12 minutes

YouTube Title: "hudsucker proxy clip"

<http://youtu.be/D2QlitH4nYY>

Video Length: 8:01 minutes

The Economy Today Chapter 3: Supply and Demand

The Economy Today Learning Objective 1: The nature and determinants of market demand.

Topics: Demand

Key Terms: Demand, Determinants of Demand, Shifts in Demand, Quantity Demanded vs. Demand

Summary

This clip from the 1994 comedy *The Hudsucker Proxy* shows the introduction of the hula-hoop and its disappointing launch. It isn't until a young boy finds a hula-hoop on the street and subsequently impresses a huge group of school children with all that a hula-hoop can do that its sales truly take off.

Economic Application

In a market based economy, a demand exists only if someone is willing and able to pay for the good. This is certainly the case when it comes to a new product being introduced in the market. According to *The Hudsucker Proxy*, the hula-hoop had a difficult start. Yet this scene shows how one talented boy can have a dramatic impact on the desire for a product, thus leading to a significant increase in demand.

Multiple-Choice Question

The dramatic turnaround in the hula-hoop market depicted near the end of the YouTube clip stemmed from a(n)

- a) increase in demand due to a change in tastes and preferences.
- b) increase in quantity demanded due to a decrease in price.
- c) increase in supply due to a technological innovation in hula-hoop production.
- d) decrease in demand due to the decrease in the price of a substitute good.

Discussion Question

Toward the end of the YouTube clip, a young boy finds a hula-hoop on the sidewalk. As a group of school children watch in wonder, he demonstrates all that a hula-hoop can do. What impact did the boy's demonstration have on the hula-hoop market?