

THE CONSUMER POINT OF VIEW

INTRODUCTORY STATEMENT

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I have spent a considerable amount of time in the past several months in what might be described as "confrontation" with business leaders. Such an experience compares in some ways with travelling in a foreign country whose language you know a little but not very well. This creates a situation in which you try to communicate but with a certain anxiety about making a meaning clear, a certain overemphasis, or shouting, in the hope that the proper images and concepts will be transferred. By contrast, I feel relaxed today among this audience of consumer-oriented people, publicly identified with promotion of the consumer interest. In the security of this "togetherness", and because it is early Spring, I suggest that we approach the topic for our panel discussion, namely "the consumer point of view", through a process of closet cleaning, a check on inventories and some self-analysis. To the extent that we claim, or may be assumed, at least to present, if not to represent, the consumer point of view, it seems appropriate to inquire first into "who are 'we'?". Let us begin by finding out who we are not.

Mr. Charles Brower, President of B.B.D. & O. (Batton, Barton, Durstein and Osborn Inc.), in a recent speech to the National Canners Association, after repeating familiar charges against "self-appointed consumer representatives", reported the results of a survey made in a number of cities by his agency's research department, on consumer attitudes with respect to certain market practices and consumer representation. About two-thirds of the women interviewed, according to the report, had no complaint against present packaging practices, felt packaging sizes were about right and the labelling satisfactory; about the same proportion expressed negative views with respect to consumer representation at the federal level. I bring this report, which was carried widely in the press, to your attention, without having in any way examined its validity, because, speaking generally, it corresponds rather closely with the results of a much more extensive survey covering several thousand shoppers, recently conducted by the Canadian Food and Drug Directorate. The sponsors of the Canadian survey were not disclosed while the survey was being conducted in various types of stores across the country. The Directorate found it desirable to reach beyond their cooperative relationships with the Canadian Association of Consumers to try to penetrate the thinking and attitudes of the general consumer public. We are fortunate to have with us today as a member of our panel, Dr. Eleanor Ordway, Chief, Consumer Relations Section of the F & D Directorate of Canada; she will give you further details if you wish to have them.

The exact figures reported in these and other similar surveys are not important for our discussion today. What is important is the general size of the consumer group which appears to be unaware of the importance of the consumer function as such, of the responsibilities for competent performance, and of rights rooted in those responsibilities. I discussed this subject with Dr. James Morgan of the Michigan Research Center who pointed out that it is easy to get two-thirds of a group to say yes to a query on a subject they never thought about; but this leaves us with the question why haven't a large majority of the consumer public thought about their role as consumers? This does not mean to imply that most people do not want to get their money's worth; some of them no doubt would even seek individual adjustments on complaints. But if they do not recognize that opportunities for effective choice might be increased through a change in market conditions, if they have no point of view with respect to the role of the consumer in a complex modern economy, there is no thread on which their individual experiences can be developed into a dynamic consumer movement, no basis for cooperation with others in the pull and tug of highly structured power. Must we conclude that a large majority of consumers have no "consumer point of view"?

We should of course take note, not only of the present dimension of "unawareness", but also of its trend. In the late 1930's, when there was a great flurry of business analysis of the rising "consumer movement", George Gallup carried out an extensive poll for the Advertising Research Foundation to determine the scope and "penetration" of the consumer movement among the consumer public. He reported, as a result of the poll, that approximately three out of four people as consumers, had no awareness of the "movement"; those who showed awareness tended to be in the higher income, better educated group, particularly among teachers.

If there is any comparability in these reports over a period of some twenty years, they suggest a trend towards more consumer consciousness among the buying public--a slow trend. We know the size of circulation of Consumer Reports; we hear that more complaints are being made to the BBBs; that more consumers are taking court action to protect their interests,--but of course percentagewise with the growth in population this increase may not be significant. After recognizing upward growth trends, we must, in taking Spring inventory, face the fact that the penetration of "consumer information" and of "consumer organization based on recognized function", has probably not gone very deep into the consumer public; it is a more complicated process than penetrating water into ham.

The position taken by certain business leaders with respect to the consumer surveys is that there is no "consumer problem", or none of significant magnitude, other than what may be synthetically manufactured by "self-appointed" consumer leaders eager for publicity. I understand that the advertising industry is now engaged in a project to improve the attitudes of these trouble makers. There is so much talk among the business community of quick response even to individual

complaints, that we might expect that the admitted evidence of a dissatisfied minority would be reflected in constructive change, rather than in an offensive against consumer "leadership"; and privately we have reason to believe that some such change is in process. But in our discussion today, instead of mounting a counter-offensive, I suggest, in our confident Spring mood, we examine more carefully a point to the business argument which does affect us directly in our general concern for the consumer condition, and which has implications for our program development.

Dr. Morgan, in my discussion with him, pointed out that we must think carefully about what consumer surveys are good for: they can help establish the dimension of ignorance, or the degree of deception, but they do not provide a rational basis for policy-making. There is plenty of historical evidence to show that the lack of widespread awareness of a problem is no proof that a problem does not exist--note, as one example, the struggle of a few public spirited experts to establish the connection between water pollution and disease. Even Mr. Brower admitted this fact in a private conversation I had with him. But the generally low level of consumer awareness does give us warning that in the identification of consumer problems and in programming for their solution we must proceed with intelligent dedication, guarding against intellectual arrogance, remembering that "problems" more often involve questions of value than of fact, and that, in a democratic society rights must be related to responsibilities--the rationale of our efforts is a concern for the competent performance of an important social function in the public interest. And particularly we must keep in mind our minority status, not so much in the power struggle of structured interest groups, as among the consumer public itself. Indeed our minority status is probably much weaker even than indicated in the surveys, since among the one-third or so who answered, more or less critically, the various questions with respect to market practices, or more or less affirmatively about the need for more consumer information, there must certainly be an intermediate group whose consumer awareness is intermittent and whose expressed support for consumer programs is inactive. It is the uncertain degree of support among the consumer public that can be counted on for the implementation of consumer programs, even when based on the logic of facts, that constitutes for us an important problem, perhaps the most important problem, perhaps our Achilles heel, unless we can come to more effective grips with it. And this relates to the point in the business argument to which I referred earlier. Let me explain briefly.

In the complex and rapidly changing economic future, it seems to me that we as "consumer leaders" (if proper modesty allows the term), must be prepared to support responsible business men who undertake to develop and maintain their product policies and market practices in line with the consumer interest. This was what was contemplated, for instance, in the AHEA's Consumer Speaks Project in the late 1940s. But how far can we, or should we, commit ourselves to help make honesty pay, and also effective service. What is our responsibility

to help the businessman "be good and still get ahead"? Particularly to what extent does--or should--this issue affect our programming? Let me give you two examples of what I have in mind.

The consumer standards committee of the American Standards Association, worked for several years to develop standards for synthetic fibres according to different end uses--first for rayon and then for other fibres: for instance a standard for colorfastness for rayon intended for bathing suits. These were voluntary standards--the so-called L-22 standards. Manufacturers who agreed to produce according to these standards were allowed to use the ASA certifying mark. Their costs were of course a little but not much higher, than the costs of those making less satisfactory products, and market support would have put them into a fair competitive position with the latter. But the market support did not develop for products carrying the ASA mark. Consumer-oriented groups who participated in the development of these standards engaged in a limited informational campaign but it was not adequate to create enough interest and support for a change in buying practices.

An interesting challenge to the demand of consumer-conscious leaders for improved market practices has just been made by Lever Bros. in England. They have changed their regular packet of SURF detergent, which was promoted with various gadget offers; they have stopped the gadget promotion, and while promising to maintain their regular advertising, have put the cost of the special promotions into an 18% increase in content of a larger package, clearly marked with the weight (not required by English law) and with an accompanying weight guarantee. If consumers want value for their money, rather than a promotional gamble, say Lever Bros., let them buy the new SURF--this is the challenge. Privately a number of consumer leaders told me they doubted whether the experiment would be a success. Granting we do not presently have the capacity to influence the market behavior of the majority of consumers, should we at least give some kind of dramatic support to business programs developed, in good faith, to improve the consumer position? I am not sure that even "we" always practice what we preach--at least I am prepared to admit this with respect to myself.

Let me extend this self-analysis to our political programming. One way to protect the responsible business man and the consumer is through political action, establishing certain required standards of practice or prohibiting certain improper acts; this of course assumes effective enforcement. I think we may claim, with appropriate humility, that we have been instrumental in securing significant recognition for a consumer program from certain political leaders, including the President himself. Whether this recognition will develop into a sustained support will depend in large part on the strength we ourselves can muster behind it; that is to say on the political realities underlying an expression of "the consumer point of view", with respect to the nature of the consumer interest. Senator Hubert Humphrey states, when presiding over the hearings on the proposed

consumer department, that consumer problems attract many headlines but few votes. Of course there has been some use of law to channel the forces of change to ends which we believe to be desirable-- that is to say, designed to promote competent performance of function. But do we provide, or have we provided even the support of which we are capable, to the individual legislator who has publicly identified himself, at some political risk for his future, with a consumer program--the kind of support which should characterize a dynamic movement? Perhaps our problem is partly with ourselves as well as with the general consumer public, and its lack of rapport with us, to the extent there is such a lack.

Now as I said at the beginning, I am taking advantage of this relaxed atmosphere and delightful Spring weather to engage in some self-analysis, without being seriously concerned about the outcome. Nevertheless, our topic does raise some important questions, both of value and fact, which must be taken into account in the development of our programs for economic and political action, and also with respect to education and organization among the consumer public. The Program Chairman of this conference and his Committee are clearly sensitive to these questions. We must give more meaning to "the consumer point of view", in the sense implied in the concept of continuing power.

Let us take full advantage of the conference, to strike flint on flint, idea on idea, to create fire, controlled fire. The development and exchange of information are important but it is going to take some further ingredient to produce a dynamic and effective consumer movement which can both articulate and support a program in the consumer interest, which in the economic field approximates the public interest. We are fortunate to have with us today members of the panel who are trying in their various ways to identify and resolve the problems raised by the subject given us for discussion.