

beauty, fun, closeness, safety, naturalism, or escape. Any one of these is powerful enough to support an entire product line-- indeed a whole industry.

- The number of Emulators and Achievers will not grow, suggesting that demand for the super-expensive, super-designed product or service will abate relatively. But it surely will not disappear. Indeed, we expect you will find a very strong demand especially from career women and from younger couples-- both working, mid-range executives. This kind of demand differs markedly from the more traditional Achiever demand generated by senior executives in their 50s and 60s.

- I think there will be greater demand for the authentic and natural. This means less plastic, less tinsel, more wood, wool, cotton; fewer replicas, more originals; more handmades, more imports, more uniques.

- The war between the elites portends a period of much societal turbulence; our hope lies in bringing the insights of the Integrated person to the realms of less developed people.

- The leading edge of values we would expect to shift in a variety of directions:
  - from quantity toward quality
  - from the group toward the individual
  - from abundance toward sufficiency
  - from formality toward flexibility
  - from fads toward fashion
  - from complexity toward simplicity
  - from spendthrift toward frugality
  - from waste toward conservation
  - from phoniness toward authenticity
  - from tradition toward the experimental
  - from the mechanical toward the personal
  - from the efficient toward the pleasing
  - from the impressive toward the meaningful

- Finally, we believe you will increasingly be working in a society more esthetically aware, more demanding of good taste, more open to the inventive than any society in the history of mankind. We look for a remarkable and thrilling renaissance in essentially every field of the arts as Experiential people move into their years of high creative productivity.

The world will be moving on in that funny way it has. I hope you will be there waiting for it.

## DOES CONSUMERISM HAVE A FUTURE?

Robert O. Herrmann, The Pennsylvania State University<sup>1</sup>  
Rex H. Warland, The Pennsylvania State University<sup>2</sup>

### Abstract

Studies of social movements suggest that they move through a 5 stage cycle of growth and decline. Evidence suggests the consumer movement has moved into the final stages of this cycle. The recent period of consumer unrest has, however, left a legacy of institutions and concerned consumers. The resurgence of the movement will depend both on the revival of concern with consumer problems and the willingness of concerned consumers to commit time and money to the movement.

Scholars who have examined numbers of social movements have concluded that they tend to follow a characteristic life-cycle. A new issue appears and becomes the object of public concern, organizations form and gain increasing influence, but then the public loses interest and the issue disappears from the front pages. This life-cycle analysis has been applied to movements as diverse as the environmental movement and the radical protest movements of the 60's. If this life-cycle framework has widespread applicability, as it seems to, just where does the consumer movement<sup>3</sup> stand in it? Is it still in its growth phase or has it peaked out and moved into decline?

We will argue in this paper that the consumer movement has gone over the top of the growth curve and is heading downward. We do not believe, however, that consumerism is doomed to extinction. Its decline may be a slow one and it seems unlikely that consumerism will ever completely disappear. There are, moreover, strong reasons to believe that even if consumerism goes into a quiet phase, it will rise again.

<sup>1</sup>Professor of Agricultural Economics

<sup>2</sup>Professor of Rural Sociology

<sup>3</sup>Throughout this paper we use the terms consumer movement and consumerism interchangeably. This follows the approach of McCarthy and Zald who define a social movement as "a set of opinions and beliefs in a population which represents preferences for changing some elements of the social structure and/or reward distribution of a society" (McCarthy and Zald, 1977, pp. 1217-1218). This definition is, they note, an inclusive one and allows the possibility of a movement without the existence of any organized groups. Most earlier definitions have stipulated the existence of formal organizations.

### The Life Cycle of Social Movements

It is widely agreed that the present surge of concern with consumer problems is the third one in American history (Herrmann, 1970; Kotler, 1972). It follows two earlier periods of concern: one at the turn of the century, another in the 1930's. The present period usually is dated from the middle 1960's. It was then that consumer issues became major news stories during the confrontation between Ralph Nader and General Motors at the Senate hearings on auto safety. Over a decade has passed since the mid-1960's, however, and much has happened to the consumer movement. We can, perhaps, get a better idea of where we are by looking closely at the characteristics of the different phases of the life-cycle of social movements and determining which phase seems to most closely resemble our present situation.

Armand Mauss has suggested a five-stage life cycle for social problems or social movements. He notes that this is an ideal type and that not all problems or movements exactly follow the pattern he describes. Mauss believes that social problems are social movements. A problem is not, he feels, a real issue until it gains public awareness. Once a problem gains awareness the groundwork is laid for the development of an organized movement to remedy it. Let's look briefly at each of Mauss' five stages (Mauss, 1975, pp. 61-66).

Incipency - Concern with the problem begins to grow among the general public which sees the problem as a threat to the preservation of or realization of its vital interests. Articles on the problem begin to appear in the mass media. Ad hoc meetings are held. Society may respond with repression which can range from police repression to ridicule, or with co-option (corrective gestures aimed at meeting or neutralizing criticism combined with propaganda emphasizing shared interests and values) or some combination of both. If societal response seems inadequate, demands for corrective legislation may arise.

Coalescence - Organizations, both formal and informal, gradually begin to form. These are a response to the failure of the "establishment" or the government to take action--or may be a response to provocative action and repression. Communications networks linking groups with similar interests are formed. Organizational activity at this stage is chiefly at the local and regional level.

Institutionalization - Government and other institutions begin to take notice of the movement and work out what Mauss labels "a standard set of coping mechanisms to manage it" (Mauss, 1975, p. 63). The actual program of the movement is not necessarily adopted, but it is at least given a

hearing. Nationwide organizations appear and efforts are made to coordinate activities at the local level. The movement becomes fully involved in the political process and politicians begin to vie for the favor of the movement. Legislation is passed aimed at solving the problems underlying the movement. This is the period of a movement's greatest power, support and fashionability.

Fragmentation - Public interest begins to fall away because of feelings that things have improved, which may or may not be true. Leaders in the movement accept positions in the establishment. The remaining leaders who refuse to cooperate with efforts at co-option are seen as extremists. Infighting within the movement leadership begins because of disagreements over strategy and tactics and because of a desire for control of organizations.

Demise - This stage is seldom recognized within the movement itself, Mauss notes. Instead, it may be seen as success since most of the critical elements of the program have been enacted. Or, it may be seen as a temporary setback. By this time the leaders and most effective members of the movement have been bought off, i.e., co-opted by society. The remaining band of "true believers" begins to seem increasingly ridiculous; they, in turn, begin to resort to more extreme measures which further alienate the rest of society.

#### Evidence of Fragmentation and Demise

It seems clear we are well past the incipency and coalescence stages. We also seem to have passed the institutionalization stage. The establishment has used its "standard set of coping mechanisms": special assistants to the President (both at the national and corporate levels), presidential study commissions, advisory committees and panels representing the movement, and special staff groups charged with examining the impact of existing policies on the problem and evaluating proposed remedies. We have had nationwide organizations focused on the problem for some years and we have seen a good deal of new legislation and regulation aimed at consumer problems. There is a good deal of evidence that we are in the fragmentation stage, if we have not already passed through it.

#### Co-option

A number of the consumer leaders have been brought into government and business. In the Nixon administration, David Pittle, who had a leading role in a Pittsburgh consumer group, was made a commissioner in the new Consumer Product Safety Commission. The pattern became more common in the Carter administration, Carol Foreman moved from the executive directorship of the Consumer Federation of America to the USDA, Lee Richardson moved from the organization's presidency to the Office of Consumer Affairs. Joan Claybrook moved from the Nader Congress Watch organization to the National Highway Traffic Safety Administration. Consumer leaders also have moved

into business roles. Consumer officials in government displaced by change in administrations have moved to business, Esther Peterson went from the Office of Consumer Affairs to Giant Foods, and then back again. Betty Furness took a media job when she left the Office of Consumer Affairs. More recently Bess Myerson and Virginia Knauer have become consultants to business on consumer problems.

Business has made some efforts to respond to consumerist criticisms. Many corporations have added consumer affairs staffs, but it is not entirely clear how significant a role these offices play. Many seem to be involved chiefly in handling complaint letters. Relatively few seem to be in a position to use their complaint-based information to influence corporate decision-making (Nader, 1979, p. 55).

#### Disagreements Among Leadership

Disagreements between and within groups are another sign of fragmentation. Such disagreements are difficult to identify and document. There have been at least two important disagreements in the 1970's. One was the conflict within the Consumer Federation of America (CFA) between the strictly consumer organizations and other member organizations such as labor unions for which consumer problems are a secondary rather than a primary concern. This led to the founding of the Conference of Consumer Organizations (COCO) in 1973. COCO activities have focussed on helping local and state consumer groups become more effective in influencing legislation at the state level. Another dramatic split was the resignation of Ralph Nader from the board of Consumers Union in 1975. The split came after Nader found his plans to push CU into a more activist role frustrated by opposition from other board members and by budgetary difficulties created by a slump in subscription revenues during the 1974-75 recession. Most of the board members and the senior management felt that product testing was CU's main function and that consumer advocacy had to remain an ancillary activity (Consumers Union, 1975; Karpatkin, 1975).

There is other evidence of a lack of consensus among consumer activists. The Sentry study included 219 consumer activists drawn from a variety of lists (Marketing Sciences Institute, 1977). This group was asked to indicate the particular topic which they felt was the most important priority for the consumer movement at the time of the survey. The most frequently mentioned topic was consumer education, mentioned by 15 percent; second was better coordination and organization to make the movement more effective, mentioned by 10 percent; 9 other items were mentioned by between 5 and 9 percent. The open-ended question format used guaranteed varied responses. The responses do, however, seem diverse. Responses to a question about what would be the most important priority 5 years in the future were equally varied. Energy-related issues were mentioned by 20 percent, consumer education by 10 percent. Eight other topics were mentioned by 5 to 9 percent of the activists (Marketing

Sciences Institute, c1977, pp. 64-65).

### Repression

Opposition to consumerist proposals has become more experienced and better organized over time, as might be expected. Trade association groups and business lobbyists are the chief voices of opposition for most proposed regulations and laws --since most are aimed at single industries. Some consumerist proposals have evoked widespread and well-organized business opposition. Because the Consumer Protection Agency proposal would have affected almost every type of business and service it became the target for a major effort. This opposition was astutely orchestrated by the Consumer Issues Working Group. This organization was formed in 1969 and in later stages of the campaign against the CPA involved representatives of about 400 companies and trade associations (Schwartz, 1979, p. 48).

### Loss of Public Support

One of the major arguments against consumer protection proposals has been their effects on the cost of government and on consumer prices, see for example, (Schwartz, 1979, p. 50). These arguments were less compelling during the relative prosperity of the late 1960's and early 1970's. They have, however, become more influential in the present period of double-digit inflation and growing concern about the costs of government. In the Sentry Insurance survey in late 1976, a majority of the public respondents (51 percent) felt that the demands of the consumer movement had resulted in higher prices. About the same number, however, felt that the changes in products and services generally were worth the extra cost (Marketing Sciences Institute, c1977, pp. 46-47).

Monetary costs are not the only costs to affect public opinion. Over the period since the mid-1960's the public has had a chance to experience other costs of consumer reforms in addition to their monetary costs. Anthony Downs has pointed out, in discussing the environmental movement, that as efforts to solve a problem increase there may be growing realization that solving the problem will involve major sacrifices by large groups in the population. Low-cost technological solutions are generally readily acceptable, especially if their use is discretionary (e.g., nutritional labeling). This is why consumer education and information programs are so widely favored. Education and information have the further advantage that they do not conflict with any of the major ideological perspectives in this country (Herrmann, 1977). Solutions which require significant change in behavioral patterns are, however, less acceptable (e.g., auto seat-belt interlocks). Those which require major social changes and institutional rearrangements at the expense of large or powerful groups are even less acceptable (e.g., a Consumer Protection Agency).

The feeling that things have gotten better and will improve further in the future may make many consumer concerns seem less urgent than a few

years ago. The Sentry study in late 1976 found that the majority of the public respondents felt labeling and product information had improved over the previous 10 years (Marketing Sciences Institute, c1977, pp. 19-25). The majority felt, however, that product quality had deteriorated and that it had become more difficult to get things repaired. Despite these mixed views there was some optimism about the next 10 years. A majority of respondents expected improvements in labeling and product information, product safety, complaint handling and the quality of products and services. They were less optimistic about two other areas: a majority felt products would not last as long and that it would be more difficult to get things repaired.

Another problem confronting the consumer movement is that the instrument on which it has relied heavily--government--no longer enjoys the full confidence of the public. There has been a sharp decline since 1964 both in public confidence in the competence of government leaders and in the belief that tax revenues are being used effectively (Miller, 1979, p. 6). The result appears to be a loss of faith in the power of government to effect needed changes. Sixty percent of the Sentry public respondents rated the job done by the federal government in protecting the interests of consumers as "poor" or "only fair" (Marketing Sciences Institute, c1977, p. 44).

It appears, in fact, that the public does not regard any of the available instruments for consumer protection as particularly effective. The Sentry survey public respondents were asked to rate 4 groups, industry, the federal government, consumers individually and consumer activists on their effectiveness in enforcing standards of product safety and reliability. None of the 4 groups enjoyed clear favor or were regarded as highly effective by a large proportion of the respondents (Marketing Sciences Institute, c1977, p. 70).

While some consumer protection proposals continue to have widespread support, it is difficult to assess whether consumer problems are seen as having the same urgency they did 5 or 10 years ago. The most active supporters and contributors to the consumer cause have been drawn from a relatively small upscale group--well educated, comfortably off and liberal in political orientation (Herrmann, 1976). This group is heavily involved in other organizations and causes. Consumer concerns must compete for time and money with this myriad of other interests. There is some evidence that contributions to Ralph Nader's Public Citizen have fallen off since the 1974-75 recession (Morris, 1975).

John McCarthy and Mayer Zald (McCarthy and Zald, 1973) have argued that in the present era, the growth of social movements does not necessarily depend on the work and money contributed by a mass of supporters who share common grievances. They instead emphasize the importance of access to professional leadership and to financing contributed by foundations and by individuals motivated by conscience rather than by any expected



benefits. We may or may not fully accept McCarthy and Zald's broader point. Their argument does, however, remind us of the important role played in the consumer movement by organizational contributions as contrasted to the contributions of individuals.

Consumers Union has been an important source of financing and leadership over the years. CU money and leadership played a key role in the formation of the Consumer Federation of America, the International Organization of Consumers Unions and of ACCI. While such activities are secondary to CU's main role, they undoubtedly will continue. They are, however, subject to the state of CU's own finances. When consumers' buying plans decline, CR subscribership falls off--CR sales are, its management feels, an advance indicator of economic activity. In the near term, CU's ability to contribute undoubtedly will be affected by the impending recession. In the longer term, CU's commitment to assisting the consumer movement is, we think, unquestionable.

Support from another important source, foundations; may be falling off more sharply. Foundation support has been crucial in the development of public interest law. One major foundation has ended its grants (Community Nutrition Institute, 1979) and others may follow. Foundation leadership are members of and/or much influenced by the elite public on which civic and reform organizations are dependent for support. As interest in consumer problems falls off in this group, foundation support is certain to decline.

Parts of the consumer movement (especially CFA) also are heavily dependent on the contributions of large organizations whose interests in consumer protection are secondary to their main goals. The leadership of these organizations also is part of the elite public and at some point may shift their attention to other issues.

Support for the Nader organizations activities depend heavily both on public support channeled through Public Citizen and on Nader's own contributions of his lecture fees. His ability to make such contributions is, of course, dependent on his fees and the number of engagements he can obtain. These, in turn, are dependent on public interest in consumer issues.

#### Decline in Media Coverage

The media play an important role both in emphasizing the urgency of the concerns of a movement and by providing the appearance of general public support for its goals. Most problems, however, lose impact with repetition. News which sounds much like what we heard the day before is no longer news. And sooner or later the ability to become outraged wears out.

A further problem is that many consumer issues are not inherently very exciting. Downs suggests a problem must be "dramatic and exciting to maintain public interest because news is 'consumed' by much of the American public (and by publics everywhere) largely as a form of entertainment"

(Downs, 1972, p. 42). Some consumer problems have greater news value than others. Health and safety issues are easy to dramatize and depict on TV. More abstract issues such as antitrust problems are both complex and difficult to discuss.

Use of dramatic protest forms has often been the way to get media coverage, as we have seen over the past 20 years. Consumer activists have adopted many of these protest forms--especially picketing and boycotts--to make news. Other protest forms are not very arresting, however. As a media event, filing a class action is not quite in the same league as bra burning or a picket line.

Getting media coverage also is easier when there is a clearly identified villain or target. For health and safety issues there usually is. For such problems as inflation and high energy costs it is more difficult to know exactly where to point the finger and there is a resultant loss of drama.

#### The Legacy of the Third Era

The evidence cited above of co-option, loss of public support and decline in media coverage seem to suggest that consumerism is in the latter stages of the social movement life cycle. No movement ever completely disappears, however, all leave behind residual influences. These can be significant.

One result of the third era of Consumerism is a strengthening in consumer consciousness. Walter Lippmann commented in 1914 at the end of the first era of consumer unrest on the growing awareness among consumers of their common interests (Lippmann, 1914, p. 73). This consciousness was further strengthened in the 1930's. More recently these common interests of consumers have become more clearly defined. We frequently see discussions of consumers' rights--and, sometimes in addition, discussions of their responsibilities.

There also have been effects at a deeper level, effects on social norms--the standards by which behavior is judged. It is now, we feel, more acceptable to complain about consumer problems than it used to be. Complaining no longer marks one as a trouble-maker or a problem customer. It is difficult to cite evidence of this change. We can, however, note that coverage of making complaints has been included in many recent consumer education texts (Herrmann, 1979).

This change in attitude toward complaining perhaps reflects a more fundamental shift--a shift from caveat emptor more toward caveat venditor. Another evidence of this shift is the increasing tendency of juries to make generous awards in product injury cases, even when the product was misused or its role in causing injury is not completely clear.

The third era of consumer unrest will leave a wide array of new and strengthened consumer protection institutions behind. Major new agencies have been

created: Consumer Product Safety Commission, Environmental Protection Agency, National Highway Traffic Safety Administration, Occupational Safety and Health Administration and ERISA. The Federal Trade Commission has been revitalized--perhaps too much for its own good. Smaller agencies have been formed which are providing important leadership: Office of Consumer Affairs, Office of Consumers' Education. These agencies seem likely to survive the current cycle of consumer unrest. How far they can go in the future depends, of course, more on the political support they can garner than on the problems with which they are dealing.

There also have been important changes in many business firms. The one mentioned most frequently by executives questioned in the Sentry study was improved communications with consumers. Another important, but apparently less widespread response has been the formation of consumer affairs departments and consumer advisory panels (Marketing Sciences Institute, c1977, p. 50). The existence of corporate consumer affairs offices should help to legitimize complaining behavior. If there is a routine channel for complaints, it is difficult for a firm to intimate that complaining is deviant behavior. Laura Nader notes that some firms do use the suggestion that complainers are deviants to blunt their criticisms (Nader, 1979, pp. 48, 60).

Revival?

Mauss describes several patterns of demise for social movements (Mauss, 1975, pp. 66-70). The consumer movement in the past seems to have followed the pattern he labels "revival." In this pattern the movement dies down but retains a flicker of life and ultimately flares up again. This is the pattern both the environmental and women's movements also have followed, Mauss notes.

The reappearance of consumerism does not depend on the existence of consumer problems, the problems will persist. It depends instead on the elite public's awareness of these problems and their willingness to commit resources to them. Consumer problems must contend with a whole range of other issues for attention and for resources. McCarthy and Zald have proposed a kind of Parkinson's Law for social movements: the number of movements will expand to absorb the amount of resources available (McCarthy and Zald, 1973, p. 23). Building on this approach, they have argued that social movements will expand in good times when discretionary income is available, but contract in bad. This, they note, is the opposite of the usual argument that movements grow in times of economic difficulty (McCarthy and Zald, 1973, p. 23). Resource availability also can be reduced by war and natural disasters.

It has been argued that periods of consumer unrest have been triggered by declines in real incomes such as occurred in 1936 and 1966 (Herrmann, 1970). It is perhaps worth noting that most of the consumer activity of the 1930's came after 1936 as the country moved out of the

Depression and times became better. The inflationary pressures of 1966 seem mild compared to those of the last few years. If declining real incomes are all that is needed to get support for consumerism, it presently should be increasing not declining.

The base of support for consumerism probably will come in the future, as it has in the past, from up-scale anti-laissez faire liberals. Gaining access to the time and money of this elite public is a difficult problem. They have a large number of concerns and many groups are bidding for their attention.<sup>4</sup>

## Conclusion

Although consumerists could be discouraged by the evidence of the decline of the consumer movement there are reasons for optimism. The consumer movement of the 1960's and 1970's, like those of earlier periods, has built a structure of institutions, laws, norms and attitudes which ensure a higher level of consumer protection. This structure will endure and will become the foundation on which future progress is built.

## References

- Community Nutrition Institute, "Ford Foundation Halts Public Interest Funding," CNI Weekly Report (September 20, 1979), 5, as cited in CU News Digest 4 (November 15, 1979), 8-9.
- Consumers Union, "Ralph Nader Resigns From CU's Board," Consumer Reports 40 (September 1975), 525-526.
- Anthony Downs, "Up and Down with Ecology--The 'Issue-Attention Cycle'," The Public Interest 28 (Summer 1972), 38-50.
- Robert O. Herrmann, "Consumerism: Its Goals, Organizations and Future," Journal of Marketing 34 (October 1970), 55-60.
- Robert O. Herrmann and Rex H. Warland, "Nader's Support: Its Sources and Concerns," Journal of Consumer Affairs 10 (Summer 1976), 1-18.
- Robert O. Herrmann, "Relating Economic Ideology to Consumer Protection: A Suggested Unit in Consumer Education," Business Education World 58 (September-October 1977), 13-15.
- Robert O. Herrmann, The Historical Development of the Content of High School-Level Consumer Education: An Examination of Selected Texts, 1938-1978 (Washington, DC: Office of Consumers' Education, U.S. Department of Health, Education and Welfare, 1979).

<sup>4</sup>For an interesting discussion of the formation of social movement organizations as an entrepreneurial activity see (McCarthy and Zald, 1973; McCarthy and Zald, 1977).

Rhoda Karpatkin, "Memo to Members: Ralph Nader's Resignation," Consumer Reports 40 (September 1975), 524.

Philip Kotler, "What Consumerism Means for Marketers," Harvard Business Review 50 (May-June 1972), 48-57.

Walter Lippmann, Drift and Mastery: An Attempt to Diagnose the Current Unrest (New York: M. Kennerley, 1914).

John D. McCarthy and Mayer N. Zald, The Trend of Social Movements in America: Professionalization and Resource Mobilization (Morristown, N.J.: General Learning Press, 1973).

John D. McCarthy and Mayer N. Zald, "Resource Mobilization and Social Movements: A Partial Theory," American Journal of Sociology 82 (May 1977), 1212-1241.

Marketing Sciences Institute, Consumerism at the Crossroads (Stevens Point, Wisconsin: Sentry Insurance Company, c1977).

Armand L. Mauss, Social Problems as Social Movements (Philadelphia: J. B. Lippincott, 1975).

Arthur H. Miller, "The Institutional Focus of Political Distrust," Paper presented to the American Political Science Association, annual meeting 31 August - 3 September, 1979, Washington. Multilithed.

Bailey Morris, "Consumerism Is Now a Luxury Item," Washington Star (October 28, 1975), 1,7.

Laura Nader, "Complainer Beware," Psychology Today 13 (December 1979), 47 ff.

George Schwartz, "The Successful Fight Against a Federal Consumer Protection Agency," MSU Business Topics (Summer 1979), 45-57.

CONSUMER VALUES:  
THE UNDERPINNINGS OF CONSUMER ISSUES IN A POST-INDUSTRIAL SOCIETY

Karen Stein, University of Delaware<sup>1</sup>  
Ronald Stampfl, University of Wisconsin (Madison)<sup>2</sup>

Abstract

This paper explores the relationship of personal values to our lives as consumers and our functioning as consumer professionals as we move into the next century. The value orientations of 268 students enrolled in the consumer focused professional colleges located at two universities were examined. It was found that this student sample were more concerned with their own selves and personal problems than with societal concerns and conditions, and did not highly value those qualities which the authors believe to be most needed by future consumer professionals as they help individuals and families adjust to a post-industrial economy.

The conference theme - Consumer Issues in the 21st Century - is particularly interesting and relevant when we stop to realize that a healthy child, born in 1980, can reasonably be expected to live through the majority of the 21st century. This child, as a consumer, will pass through a series of developmental demographic stages, as described by Stampfl (1978A, 1979). At the center of this child's developing personality will be his or her personal values. These basic orientations towards life and life's experiences serve to direct behavior in a person's personal and professional spheres of activity. Each person's behavior as a consumer or producer of resources and wealth is directly related to personal values. Since only human behavior can cause an "issue" to emerge, consumer issues in the 21st century will be, in a very basic sense, a function of the personal and professional values held by people during that time period. And many of the people who will create and deal with consumer issues beyond the year 2000 are alive today - some with highly established personal values, others - our young and very young - with values now being formed.

Therefore, it is the purpose of this paper to explore the relationship of personal values to our lives as consumers and our functioning as consumer professionals as we move into the next century.

<sup>1</sup>Assistant Professor of Consumer Economics

<sup>2</sup>Associate Professor of Consumer Science and Business. Professor Stampfl wishes to acknowledge partial support for research on this article from the College of Agricultural and Life Sciences, through USDA-SEA Hatch Project #2247.

Values Change Over Time

Whereas attitudes may change quickly, values tend to be much more stable. But they do change over longer periods of time and have been the topic of study by scholars in a variety of disciplines for many years, including anthropologists (DuBois, 1955), economists (Boulding, 1966), sociologists (Bell, 1973), social psychologists (Rokeach, 1968, 1973, 1974), psychologists (Berkowitz, 1964; Graves, 1974), religious scholars (Hall and Smith, 1973), counseling specialists (Peterson, 1970), educators (Casteel and Stahl, 1975), consumer specialists (Stampfl, 1978B), and marketers (Berry and Wilson, 1977; Berry, 1980) just to mention a few.

Most useful to the discussion at hand is Graves' understanding of value change as a function of development and the cognitive time-lag that occurs during periods of rapid value change. Graves (1974, p. 72) states that his research:

...indicates that man is learning that values and ways of living which were good for him at one period in his development are no longer good because of the changed condition of his existence. He is recognizing that the old values are no longer appropriate, but he has not yet understood the new.

Stampfl (1978B, p. 25-26) provided a link to consumer values and issues within this time spanning, developmental perspective when he asserted that:

American consumer values of the 1970's and the behaviors resulting from these values are highly diverse - and at times inconsistent, even within individual families. What has happened is that our economy has changed. From one that was predominantly agricultural, ours became an industrial economy. With that change came dramatic changes in consumer values and the ways we interact in the marketplace. Changes of a similar magnitude will occur as we enter the "post-industrial" era, in which our society shifts from a goods-producing to a service economy...The central consumer problem for the remainder of this century will be that of replacing old consumer values - those built upon America's industrial age - with new consumer values that will support America's future in a much changed world.

Stampfl then utilized a three-way typology of consumers to demonstrate the role of economic development in the creation of consumer values in America.



(1) Industrial-age consumers - were identified as typically reaching adulthood between 1920 and 1960, holding the American Dream of material possessions, private dwellings and transportation, high convenience, and "more is better."

(2) Transitional consumers - were characterized as reaching adulthood between 1960 and perhaps 1990 and as having been socialized by parents and teachers holding industrial-age values but having to make personal and professional decisions in an era of inflation, shortages, pollution, and government regulation. These consumers are often torn between the wants stimulated by still usable industrial age marketing techniques and the oughts supportive of societal/environmental concerns of a much changed world.

(3) Post-industrial age consumers - were conceptualized as reaching adulthood sometime after the year 1990 and as being socialized primarily by adults who are transitional consumers. Consumer values and behavior were hypothesized as becoming centered upon efficient and responsible consumption.

In this article we are concerned with the personal and professional consumer related values of transitional and post-industrial age consumers. By the year 2000, industrial age consumers will be in or near retirement and will hold few of the central decision making jobs in business and government. Hence, their personal values will not be as influential as they are today. Transitional consumers - those reaching adulthood between 1960 and 1990 - will be at the center of our power structure. Post-industrial age consumers will just be beginning to enter significant socio-economic positions but will dominate these positions by the mid-21st century. A similar analysis would illustrate how these groupings and their values as consumers would influence business and governmental decision makers and the overall socio-economic landscape. In effect the high school and college students of the 1960's - 1980's will carry transitional values into their adult lives as consumers and consumer professionals. Since this group will dominate the power structure of society in the first half of the 21st century and will be the socializing agents (Mayer, Zussman and Stampfl, 1979) - parents and teachers - of the post-industrial consumers who will dominate the latter half of that century, it is of prime importance to investigate the values of this group now and to ask whether consumer educators are preparing transitional consumers for their roles in creating, coping with and solving the consumer issues of the future.

#### The Rokeach Tradition

Milton Rokeach is considered by many as the leading researcher in American value systems. Consumer researchers, however, seemingly have not utilized this truly rich body of conceptual and empirical findings as a means of better understanding the values which underline consumer behavior and consumer issues. It is our purpose, therefore,

(1) to present a brief summary of the Rokeach terminal and instrumental value scales and past findings,

(2) to report the results of the administration of the Rokeach instruments to two samples of transitional consumers - female college students studying in consumer focused professional schools at two major universities,

(3) to tentatively assess the value imperatives of a post-industrial society against the present value profiles of transitional consumers,

(4) to illustrate the need for and propose a value clarification exercise - relevant to personal and professional consumer values - based upon the Rokeach tradition but with items unambiguously relevant to consumer behavior and issues.

#### The Rokeach Survey of American Value Systems

The Rokeach Value Survey consists of eighteen terminal values identifying ideal states of existence and eighteen instrumental values identifying ideal patterns of behaviors. Data confirm the reliability and validity of the test items for both the individual respondent's value system as well as the overall societal system over time (Rokeach, 1974; Feather, 1971). Additionally, statistically significant correlations have been found between the various terminal and instrumental values and logically related behaviors and attitudes (Rokeach, 1974), leading researchers to use the Rokeach instrument to study the relationships between the values held by various subsets of the population and their attitudes toward certain modes of behavior. (Ball, Rokeach, 1973).

The Rokeach instrument was employed in this study to examine the value systems of undergraduate students enrolled in two major universities. One university of approximately 15,000 students is located on the Eastern seaboard and draws its students from a predominately urban tri-state area. The other university is situated in the Mid-West, has a student population of 40,000 with approximately 80% of those students coming from the in-state area. Both are land-grants. In the Fall of 1979, random samples of equal numbers were drawn from students enrolled in the predominately female consumer focused professional college on each university campus. A brief profile of the sample is shown in Table 1.

#### Comparison With Rokeach Results

The Rokeach survey was administered to 1409 adult Americans in 1968, and 1430 adult Americans in 1971 by the National Opinion Research Center. Table 2 shows the changes and stabilities in the 36 terminal and instrumental values for that sample, as well as the ranking for the 268 college students surveyed in 1979. In this table, as in all others presented in this paper, the composite rankings are based upon the mean score, with a composite rank of 1 indicating the highest mean and, therefore, the most deeply held value. Thus, a world of peace had the highest mean score in 1968 and 1971, as indicated by its composite rank of 1, but ranked only 14 in 1979.

TABLE 1. Profile of Sample Drawn from Human Services Oriented Colleges. (N=268)

<u>Characteristic</u>	<u>Percentage</u>
<u>Year at College</u>	
freshman	6.0
sophomore	20.1
junior	33.6
senior	36.2
graduate student	
<u>Sex</u>	
female	92.2
male	7.8
<u>Religion</u>	
Protestant	40.7
Catholic	36.6
Jewish	8.2
Other	6.0
N.R.	8.6
<u>Family Income</u>	
below \$4,999	1.9
\$5,000 - \$9,999	3.7
\$10,000 - \$14,999	6.3
\$15,000 - \$19,999	10.4
\$20,000 - \$29,999	17.9
\$30,000 - \$39,999	19.4
above \$40,000	22.8
don't know	17.5
<u>Plans after Graduation</u>	
graduate school	9.7
career	47.0
marriage	.7
graduate school/marriage	3.0
career/marriage	39.6
<u>Means of Support</u>	
financially independent	33.6
parental support	66.0
combination	.4

TABLE 2. Composite Rankings for Terminal and Instrumental Values for Adult Samples (1968, 1971)\* and College Student Sample (1979)\*\*

<u>Terminal Values</u>	<u>1968</u>	<u>1971</u>	<u>1979</u>
A comfortable life (prosperous life)	9	13	9
Exciting life (stimulating, active)	18	18	11
Sense of accomplishment (lasting contribution)	10	11	7
World at peace (no war or conflict)	1	1	14
World of beauty (of nature, of art)	15	15	16
Equality for all (equal opportunity)	7	4	13

TABLE 2 (continued)

<u>Terminal Values</u>	<u>1968</u>	<u>1971</u>	<u>1979</u>
Family security (taking care of loved ones)	2	2	3
Freedom (independence, free choice)	3	3	6
Happiness (contentedness)	4	6	1
Inner Harmony (freedom from inner conflict)	13	12	5
Mature love (sexual and spiritual intimacy)	14	14	8
National security (protection from attack)	12	8	18
Pleasure (enjoyable, leisurely life)	17	16	12
Salvation (eternal life)	8	9	17
Self-respect (self-esteem)	5	5	2
Social recognition (respect, admiration)	16	16	15
True friendship (close companionship)	11	10	4
Wisdom (mature understanding of life)	6	7	10

Instrumental Values

Ambitious (hard-working, aspiring)	2	3	4
Broadminded (open minded)	5	5	9
Capable (competent, effective)	9	9	8
Cheerful (joyful)	12	13	10
Clean (neat, tidy)	8	10	17

\* Source: Rokeach, Milton. "Change and Stability in American Value Systems, 1968-1971. Public Opinion Quarterly, Vol. 38, 1974, pp. 222-238.

\*\* An objection might be raised that the above comparisons are between a predominately female sample (1979) and a mixed gender sample, and that sex may account for some differences in the value structure. However, it should be noted that Rokeach's survey of 744 adult women in 1968 and 743 adult women in 1971 demonstrated rankings practically identical to those of the mixed gender results.

TABLE 2 (continued)

<u>Instrumental Values</u>	<u>1968</u>	<u>1971</u>	<u>1979</u>
Courageous (standing up for beliefs)	6	6	14
Forgiving (willing to pardon others)	4	4	7
Honest (sincere, truthful)	1	1	1
Helpful (working for welfare of others)	7	7	5
Imaginative (daring, creative)	18	18	13
Independent (self-reliant)	13	12	6
Intellectual (intelligent, reflective)	15	15	12
Logical (consistent, rational)	17	17	16
Loving (affectionate)	11	8	3
Obedient (dutiful, respectful)	16	16	18
Polite (courteous, well mannered)	14	14	15
Responsible (dependable, reliable)	3	2	2
Self-controlled (self-disciplined, restrained)	10	11	11

It is interesting to note that, for the most part, the value hierarchies have remained fairly stable over time and across samples. Rokeach (1974) summarized his findings as follows:

...more than anything else, adult Americans perceived themselves as peace loving, freedom loving, family oriented, honest, hardworking and responsible; they perceived themselves neither as hedonistic, aesthetically or intellectually oriented; nor, at least consciously, as status oriented.

In fact, even a cursory examination of the value hierarchies of the student sample illustrates that the very same statement could suffice as their descriptive summarization. Indeed, the rankings for the instrumental values are amazingly similar, while the most striking difference between the two samples occurs in the rankings of a world of peace, most probably because of the dominance of the Viet Nam War during the 1968-1971 period.

A major question is whether the student rankings are affected by variables which may be classified as either exogenous to the individual (such as the geographic location of the university) or

endogenous (such as the student's religious self-identification). Of particular interest is whether the value hierarchies change as students progress from freshman to senior year, in light of their exposures to broadened opportunities, experiences, and intellectual activities. A one-way analysis of variance allows us to statistically test whether the means of sub-samples are significantly different from each other. Thus, a one-way analysis of variance was performed to determine if the mean score attached to each value would significantly differ if variables such as year of student, religion, family income, plans after graduation, means of support, and geographic location of the university were taken into consideration. The results are summarized in Table 3.

Family income appears to influence the value systems to the greatest degree. However, classifying students by family income levels would still only statistically affect the mean score of nine out of thirty-six values. Surprisingly, perhaps, the analysis also shows that the value systems of freshmen as a class do not, significantly differ from the value hierarchies of seniors. Even for those values which do significantly differ in mean score, there appears to be no discernible pattern in terms of strengthening or weakening in importance as students progress through their college education. For example, one might expect that seniors would value a sense of accomplishment more highly than freshmen, but the mean scores are 7.7 for freshmen, 9.8 for sophomores, 7.1 for juniors, and 7.9 for seniors.

However, for those of us concerned with preparing professionals for a future human services-oriented economy, a comparison between additional aspects of the Rokeach results and the authors' results reveal some extremely interesting observations:

1. Over time, the women surveyed by Rokeach upgraded their ranking of equality and logic, and downgraded family security. This phenomenon was attributed to a growing awareness of sexism in this society as well as the increasing voice of the women's liberation movement. It might be expected that this trend would also be evident in the rankings made by the 1979 sample of young, well-educated, female students. However, results prove to be just the opposite, with equality receiving a rating of 4 in 1971, but 13 in 1979.

2. A sub-sample of young adults in their 20's in the 1971 survey ranked as very important values a world of peace, a world of beauty, equality for all, inner harmony, and logic. Only inner harmony ranked highly among the young adults surveyed in 1979. Interestingly, inner harmony is also the most intrinsic value, the others being more socially oriented.

3. The Rokeach respondents, over time, also showed a growing concern with ecology (a world of beauty) and equality. Again, neither of these values showed up strongly in 1979.

In conclusion, then, it seems fairly evident through examination of the rankings and comparison with past results that this current student

**TABLE 3. Analysis of Variance of Values of College Students, 1979.**

Variables:

<u>Values</u>	<u>Year of Student</u>	<u>Religion</u>	<u>Family Income</u>	<u>Geographic Location</u>	<u>Plans after Graduation</u>	<u>Means of Support</u>
<u>Terminal:</u>						
Comfortable Life			X	XX		
Exciting Life	X		X			
Accomplishment	X					X
World of Peace						
World of Beauty						X
Equality					X	
Family Security	XX	XX		X	X	
Freedom						
Happiness						
Inner Harmony				XX	XX	
Sexual Intimacy	X		XX	XX		
National Security	X					
Enjoyable Life	X		X			X
Salvation		X				
Self-Respect						
Social Recognition						
True Friendship		XX				X
Wisdom			XX			
<u>Instrumental:</u>						
Ambition					XX	
Broad-Minded						
Capable						
Cheerful						X
Clean						
Courageous						
Forgiving				XX		
Honest						
Helpful				XX		X
Imaginative						
Independent			XX			XX
Intellectual						
Logical						
Loving			XX			
Obedient			X		X	
Polite			XX			
Responsible		XX		XX		X
Self-Controlled			XX			

X= statistically significant difference  $p < .01$  level in mean score of value due to effect of variable.

XX= statistically significant difference at  $p < .05$  level in mean score of value due to effect of variable.

population seems to be more concerned with their own selves and personal problems than with societal concerns and conditions. To those who subscribe to the 1970's as being the "Me-Decade," this seems an only natural result for those young adults who have done most of their maturing in the past ten years.

Implications For The Future Professional Behavior of Students Studying in Consumer Related Schools

Bymers (1977, p. 2) has suggested that professionals working in consumer-related fields in the 1980's and

1990's:

...are not likely to enjoy the privilege of working in an environment where the potential for the real income of the household increases steadily from one year to the next at a rate of two to three percent per year...and notes that slow-growth for the total economy is likely to occur during the coming decades. This is not, necessarily, to be seen as a dismal forecast, if we accept the notion that living with less may well lead to living with more, if by "less" we mean fewer consumer goods manufactured by ecologically damaging processes and if by "more" we



mean a healthier living environment and a new respect and appreciation for our human capabilities and resourcefulness (Schumacher, 1973; Mishan, 1973; Henderson, 1978).

In the same vein, Bymers (1977) also suggests that the future will make new demands upon the skills and expertise required of consumer affairs specialists, as they will need to deal effectively with such questions as: How much material improvement is possible or desirable; what are the real costs of social goals; and what is an appropriate level of living for this society? One might expect that students studying to enter those service professions concerned with these questions would already hold a certain set of values oriented towards societal concerns and goals. The question this research next explores is whether the college students in consumer focused schools have internalized a value system which will facilitate their being able to effectively deal with the questions posed by Bymers, as they help individuals and families adjust to and cope with a world of increasing material scarcity.

#### Student Orientations Towards Professional Behavior

Fifteen terminal values and 14 instrumental values appearing on the Rokeach instrument were thought to be particularly relevant to this issue of the future professional behavior of students studying in consumer related schools. Students, again, ranked these values in terms of personal importance and the composite rank for each value is based upon the mean score. The twenty-nine values were then classified into three categories. The first, emerging professionally-oriented values, are those which the authors deem to be most descriptive of the qualities needed by consumer professionals in the future. Emerging personally-oriented values indicate a mode of behavior which, again, would be in harmony with the envisioned future lifestyle of transitional and post-industrial consumers (e.g.: a world of beauty may not occur without a consumer value change which would allow a less energy intensive lifestyle). Established professional and personal values are those which are most characteristic of the industrial age consumer.

Table 4 shows the rank of each value. The number in parenthesis is the percentage of respondents who ranked that particular value as their most important. It would appear from these results that students do not attach great importance to those values which would facilitate their professional effectiveness in dealing with the issues and problems posed in a post-industrial society. Note that only one terminal value (sense of accomplishment) and one instrumental value (helpful) even appeared in the top half of the value hierarchy. However, students do seem to highly regard those values which would help them personally adjust to a post-industrial age. It is striking, however, to realize that the only two emerging values in this category which do not fall into the top half of the value cluster are a world of beauty and a world of peace - the two values most oriented towards societal goals.

#### Recommendation: The Need for Value Clarification

That students have internalized a set of values which will be supportive of the implied professional needs of post-industrial America seems not to be the case. Further, it appears that consumer educators at the college level have been relatively ineffective in encouraging the development of emerging professionally-oriented values, as the hierarchies remain relatively unchanged as students progress from their freshman to senior years. However, studies of value systems (Rokeach, 1974) indicate that young people in their 20's are particularly open to change and that long range changes in values and attitudes often result from obtaining objective feedback about one's own values. Value clarification, then, is a process of search and choice. As consumer educators, we must facilitate this for our students if their professional and consumer behavior is to be supportive of the social, ecological, political, and ethical imperatives of a post-industrial era.

One step in this direction would be a consumer based value clarification exercise that could be correlated with the reliable and valid Rokeach instrument. Although the instrument is, to date, the most useful for our purposes, a number of criticisms could be made; among them that students may prioritize the items not according to their true feelings, but according to how they think they "should" answer, and that the respondents may not be able to interpret the value items concretely.

An instrument then, that would place the test items within a consumption context may help students, as well as other consumers, more realistically and accurately identify their consumer values, thereby promoting positive feedback and self-examination. Additional requirements of the value clarification exercise would include:

- .prioritizing to stimulate real choice among alternatives;
- .specifying a budget constraint to force quantification of level of importance of a value;
- .phrasing in concrete language, identifiable as a consumer behavior understandable and meaningful to the consumer life cycle stage of the respondent (e.g. exciting life may be represented by the ability to buy a sports car to a teenager, while being represented as a dinner in an exclusive restaurant to a retiree.

The authors are currently working on the development of such an instrument, in the hope that, through its utilization in conjunction with an in-depth examination of the relationships among consumer behavior, consumer issues, and personal value systems, students enrolled in consumer related schools will be better equipped, both personally and professionally, to function in a post-industrial society.

TABLE 4. Composite Rankings of Emerging and Established Values of College Students, 1979.

Emerging Professionally-Oriented Values:

Terminal Values	Composite Rank	% Ranking as most important value
*accomplishment	7	(8.6%)
wisdom	9	(1.5%)
equality	12	(3.7%)

Instrumental Values	Composite Rank	% Ranking as most important value
*helpful	5	(8.2%)
capable	8	(5.2%)
broadminded	9	(3.7%)
intellectual	11	(3.2%)
imaginative	12	(2.2%)
courageous	13	(2.2%)
logical	14	(1.5%)

Emerging Personally-Oriented Values:

Terminal Values	Composite Rank	% Ranking as most important value
*self respect	2	(8.6%)
*true friendship	4	(3.4%)
*inner harmony	5	(9.0%)
world at peace	13	(6.7%)
world of beauty	15	(1.1%)

Instrumental Values	Composite Rank	% Ranking as most important value
*honest	1	(28.0%)
*loving	3	(11.9%)
*forgiving	7	(1.9%)

Established Professional and Personal Values:

Terminal Values	Composite Rank	% Ranking as most important value
*happiness	1	(19.0%)
*family security	3	(7.1%)
*freedom	6	(6.0%)
comfortable life	8	(6.0%)
exciting life	10	(3.7%)
pleasure	11	(1.1%)
social recognition	14	(.4%)

Instrumental Values	Composite Rank	% Ranking as most important value
*responsible	2	(7.1%)
*ambitious	4	(9.3%)
*independent	6	(6.7%)
self-controlled	10	(2.6%)

\* indicates value rank falls within top 50% of value clusters.

References

Sandra Ball and Milton Rokeach, "Values and Violence; A Test of the Subculture of Violence Thesis," American Sociological review 38, #6, 1973.

Daniel Bell, The Coming of the Post-Industrial Society, New York, Basic Books, 1973.

Leonard Berkowitz, The Development of Motives and Values in the Child, Basic Books, New York, 1973.

Leonard L. Berry and Ian H. Wilson, "Retailing: The Next Ten Years," Journal of Retailing, vol. 53, Fall, 1977, pp. 5-28.

Leonard L. Berry, "The New Consumer" in Stampfl, Ronald and Hirschman, Beth (eds.), Competitive Structure in Retailing: The Department Store Perspective, American Marketing Association, Chicago, 1980, pp. 1-11.

Kenneth E. Boulding, "The Economics of the Coming Spaceship Earth" in Environmental Quality, Henry Jarrett (editor), Baltimore, Johns Hopkins Press, 1966.

Gwen Bymers, "Getting with Scarcity," lecture presented to the College of Home Economics, University of Delaware, March 31, 1977.

J. Doyle Casteel and Robert J. Stahl, Value Clarification in the Classroom: A Primer, Goodyear Publishing Company, 1975.

Cora DuBois, "The Dominant Value Profile of American Culture," American Anthropologist, Vol. 57, December 1955, pp. 1232-1239.

N.T. Feather, "Test-Retest Reliability of Individual Values and Value Systems," Australian Psychologist, Vol. 6, pp. 181-188.

Clare W. Graves, "Human Nature Prepares for a Momentous Leap," The Futurist, April 1974, pp. 72-84.

Brian P. Hall and Maury Smith, Value Clarification As Learning Process: A Handbook for Religious Educators, Paulist Press, 1973.

Hazel Henderson, Creating Alternative Futures, New York: Berkley Publishing Corporation, 1978.

Robert N. Mayer, John Unger Zussman and Ronald W. Stampfl, "Consumer Socialization of Children," International Consumer, The Hauge, Fall 1979, pp. 12-22.

E.J. Mishan, "Ills, Bads and Disamenities: The Wages of Growth" in The No-Growth Society edited by M. Olson, and H. Landsberg, New York, W W. Norton and Company, 1973.

James Allen Peterson, Counseling and Values: A Philosophical Examination, Carroll Press, 1970.

Milton Rokeach, Beliefs, Attitudes, and Values: A Theory of Organization and Change, Jossey-Bass, 1968.

References (continued)

Milton Rokeach, The Nature of Human Values, The Free Press, 1973.

Milton Rokeach, "Change and Stability in American Value Systems, 1968-1971," Public Opinion Quarterly, Vol. 38, 1974, pp. 222-238.

E.F. Schumacher, Small is Beautiful, New York, Harper and Row, 1973.

Ronald W. Stampfl, "The Consumer Life Cycle," Journal of Consumer Affairs, Winter, 1978, Vol. 12, pp. 209-219 ("A").

Ronald W. Stampfl, "Family Research: Consumer Education Needs in the Family Life Cycle," Journal of Home Economics, Spring, 1979, pp. 22-27.

Ronald W. Stampfl, "The Post-Industrial Consumer," Journal of Home Economics, January, 1978, pp. 25-28 ("B").

Lila Swell, "How to Succeed at What You Like Best," Woman's Day Magazine, September 1976, pp. 82-83+.

EFFECTS OF RETAIL FOOD  
PRICE REPORTING ON  
FOOD STORE PRICES: SOME PRELIMINARY RESULTS

Dr. Joseph N. Uhl, Purdue University  
Dr. Robert D. Boynton, Purdue University  
Dr. Brian F. Blake, Purdue University\*

Consumers face a difficult task in securing sufficient information by which to judge the relative price levels of competing retail food stores. The large number of food items purchased, the frequency of price changes, and the complex price - quality comparisons involved in food shopping make it unlikely that consumers optimize with full information in their food shopping decisions. Food price reporting and posting have been suggested as ways to improve consumers' price information in the food shopping situation.

A team of researchers at Purdue University recently examined the effects of food store price reporting on food shoppers' behavior and on the structure of prices in local food markets.<sup>1/</sup> At this point the data from this study has not been fully analyzed and the results discussed here must be labelled preliminary. Nevertheless, some interesting, if tentative, findings can be reported.

The Purdue Food Price Reporting Project was jointly sponsored by the Indiana Agricultural Experiment Station and the U.S. Department of Agricultural Marketing Service (AMS). A.M.S. is the division of U.S.D.A. which conducts the market news programs. This organization's interest in food price reporting stems from its long-term concern with improving market news programs in the food industry and, more specifically, from a 1978 A.M.S. Task Force Report which recommended that A.M.S. conduct research to examine what effects, if any, retail food price reporting has on market performance and consumer welfare.

---

\*All of the Department of Agricultural Economics.

<sup>1/</sup>Other members of the team, in addition to the authors of this paper, are Miss Vicki McCracken, Mrs. Jane Cannon, and Miss Kris Cheek.

#### Types of Price Reporting

There are several types of food price reporting being done around the country. The weekly food advertisements of grocers must be considered a form of food price reporting. Although biased, these advertisements provide consumers with considerable price information. There are also food price reports sponsored by state and local governments which alert consumers to plentiful foods and key food price changes. The Associated Press also compiles and publishes a market basket cost of selected foods in several cities, as do many newspapers.

In contrast to these general forms of price reporting, the Purdue researchers took the position that a useful food price report must provide store and brand - specific price comparisons to be of maximum value to food shoppers. Needless to say, this decision resulted in some trade opposition to the study and ultimately was responsible for the early termination of the price reporting study.

#### The Research Design

A longitudinal, matched - city research design was selected. Weekly comparative food price reports were published in four test cities from November 28, 1979 to February 28, 1980. The cities were Erie Pennsylvania, South Bend Indiana, Des Moines Iowa, and Springfield Missouri. Each of these test cities was matched with another city in the same state, and these control cities served as comparisons for the test cities. Eight stores were selected for analysis in each of the 4 test 4 control markets.

A 100-item market basket was constructed. Prices of these items were monitored in each of the 64 surveyed stores. Price reporters gathered the prices Wednesday morning, and the price reports were published in local newspapers each Thursday. In this way, food shoppers were provided with timely information about local food prices for the weekend shopping trips.



The research had two objectives. First, what effects does retail food price reporting have on the structure of food prices in a local market? Secondly, how does retail food price reporting influence the food shopper's decision-making process. The price reporting process itself furnishes the data for testing how reporting influences prices. A companion survey of food shoppers in the test and control markets was made to examine attitudes toward price reporting and how this reporting influenced consumers.

#### The Price Report

The weekly price report is shown in figure 1. It provides three levels of information. First, the specific prices of 26 commonly-purchased items are reported for the 8 surveyed stores. In some cases these price quotations refer to nationally-branded items. In other cases, where private labels or generic labels are common and where the surveyed stores did not all carry the same national brands, the least expensive brand of the item was reported. Naturally, this introduced some non-comparability into the report. Meat and produce were carefully described by grade, size, and name, but here, too, it is recognized that store offerings were not perfectly comparable.

The weekly price report also provided information on the costs of purchasing a standard market basket of items in selected departments, such as meat, produce, canned goods, and non-foods. Finally, the price report indicated the total cost of purchasing the 100-item market basket at each of the eight stores, for the current week and the preceding two weeks. This market basket was BLS-weighted.

Some consumer education was attempted while the price reports were being published. Consumers were informed that prices were not the only important factor in store choices and that the price report should not be used naively; that is the consumer still had to make some judgements concerning the value of a store's services and quality of foods.

#### Trade Opposition to the Reports

We expected some trade opposition to the weekly price reports, but we were unprepared for what happened. Some, though not all, grocers in the test markets were vehemently opposed to the project and to the price reports. Opposition took the forms of newspaper pressure; harassment of reporters; banning of the price reporters from certain

stores; letters to Congress, USDA, The Governor of Indiana, and all Purdue University officials; and charges that the price reports were inaccurate, misleading and unfair to the grocers. The grocery trade associations took the point in leading the opposition to the reports, but several grocers mounted their own campaigns against the project.

Probably the most serious problem we faced was the banning of our reporters from certain markets. Signs were posted indicating that price reporters would not be allowed in these stores. With additional financial support from A.M.S., our response to this was to have the reporters purchase the 100-items, record their prices, and then donate these groceries to local charities. A legal test of the right of grocers to bar price reporters from their markets is still needed.

It proved to be extremely difficult to answer all the grocers' charges of errors in the price reports. Food prices change frequently and managers are often not aware of their own shelf prices. Where independent price checks were taken, our price reporters were proven quite accurate.

Our project was heavily dependent upon the cooperation of local newspapers, and this proved to be our achilles heel. The charges of inaccuracy - along with grocer threats to withdraw advertising revenues - finally persuaded some of the newspapers to discontinue publishing the reports. As a result, the published reports only ran 6 weeks in Springfield, 10 weeks in South Bend, 11 weeks in Erie, and 12 weeks in Des Moines. The original research plan called for an 18-week publication period in all four markets.

The lesson is that consumer information which the trade views as potentially disrupting can be hazardous to the researchers' health! I don't believe the price reports had nearly the effects which the trade anticipated. However, this did not restrain them from mounting an effort which in the end terminated the research project early.

#### Preliminary Results

Our tentative conclusions are that food price reporting can have very different effects, depending upon market conditions, store characteristics and the nature of the item priced. Most of our analysis here will focus on the effects of the price reporting on the four different markets.

FIGURE 1

DES MOINES TRIBUNE • Thursday, December 13, 1979

# Your grocery shopping guide

The Des Moines Tribune-Purdue University food price survey is compiled from prices checked at eight Des Moines area stores each Wednesday. The survey was designed by economists at Purdue and data are collected by people trained in price reporting.

The chart includes price comparisons for 26 commonly purchased items, plus a marketbasket of 100 food and non-food items found in the typical consumer's food budget.

The survey does not tell consumers where to shop, but it may be used as a guide in weekly grocery selections. Survey officials note that quality, convenience and other factors — along with prices — influence consumer choices.

Prices collected Wednesday, Dec. 12, 1979

PRICES OF SELECTED INDIVIDUAL ITEMS (LOWEST PRICE IN BOLD TYPE)	AVERAGE	STORES							
		DAHL'S 4121 Paul Dr.	DAHL'S 4343 Sherwin Way Road	HINKY DINNY 4415 Douglas Ave.	HY-VEE FOODS 1700 35th St., W.D.M.	HY-VEE FOODS 2559 E. Lock Ave.	SAFEWAY 327 Central Ave., W.D.M.	SAFEWAY 3200 W. 9th St.	SHERMAN'S SUPERVALU 2627 E. University Ave.
CORN FLAKES Kellogg, 12 oz. ....	.74	.69	.69	.76	.74	.74	.73	.73	.80
WHEAT BREAD Roman Meal, 16 oz. ....	.91	.91	.91	.91	N.A.	.91	N.A.	.91	.91
GROUND BEEF least expensive, 1 lb. ....	1.45	1.45	1.45	1.59	1.39	1.29	1.27	1.59	1.55
PORTERHOUSE STEAK 1 lb. ....	3.24	3.19	3.09	2.79	3.19	2.79	3.73	3.73	3.39
BEEF LIVER 1 lb. ....	1.11	.99	1.29	1.09	.99	1.39	.98	.98	1.19
PORK CHOPS loin end, thick cut ....	1.49	N.A.	N.A.	N.A.	1.49	N.A.	N.A.	N.A.	N.A.
BACON Oscar Mayer, 1 lb. ....	1.92	1.89	1.69	2.19	1.59	1.69	2.29	2.29	1.69
FRANKS beef, Oscar Mayer, 1 lb. ....	1.76	1.59	1.69	N.A.	1.59	1.89	N.A.	2.09	1.69
TURKEY Swift's Premium Butterball, 1 lb. ....	.98	.89	.89	1.05	.99	1.09	.98	.98	.99
CHICKEN BREASTS 1 lb. ....	1.23	1.29	1.29	1.19	1.39	1.39	.98	.98	1.29
EGGS Grade A, medium, doz. ....	.73	.67	.67	.66	.81	.83	.86	.69	.68
LOW-FAT MILK 2%, least expensive, 1/2 gal. ....	1.01	1.01	1.01	1.01	1.01	1.01	1.01	1.01	1.03
COTTAGE CHEESE least expensive, 24 oz. ....	1.30	1.29	1.29	1.33	1.29	1.29	1.29	1.29	1.29
AMERICAN CHEESE SLICES Kraft, 12 oz. ....	1.61	1.72	1.49	1.75	1.49	1.49	1.69	1.69	1.59
CARROTS 1 lb. bag ....	.28	.25	.25	.25	.20	.25	.34	.34	.35
POTATOES russet, 5 lb. bag ....	.85	.99	.99	.89	.69	.89	.69	.69	.99
APPLES Golden Delicious, 3 lb. bag ....	1.35	1.39	1.39	1.69	1.29	1.29	1.19	1.19	N.A.
GREEN BEANS canned, least expensive, 1 1/2-16 oz. ....	.33	.34	.29	.34	.34	.34	.34	.34	.29
FRUIT COCKTAIL Del Monte, 17 oz. ....	.61	.57	.57	.63	.58	.63	.63	.63	.67
MARGARINE least expensive, 1 lb. quarters ....	.41	.47	.42	.40	.35	.35	.44	.44	.41
COFFEE Butterhut, regular grind, 1 lb. can ....	3.19	3.19	3.19	3.19	3.19	3.19	3.19	3.19	3.19
COLA least expensive, 12 oz. can ....	.20	.15	.15	.22	.22	.22	.21	.21	.23
BEEF DINNER Swansons, 11.5 oz. ....	1.61	1.66	1.66	1.77	1.31	1.32	1.77	1.77	1.65
TOOTHPASTE Crest, 7 oz. ....	1.36	1.46	1.46	1.39	1.36	1.24	1.14	1.24	1.58
TOILET PAPER least expensive, 4 roll package ....	.73	.59	.59	.89	.79	.90	.79	.59	.72
LAUNDRY DETERGENT Tide, 49 oz. ....	1.65	N.A.	1.29	1.82	1.29	1.82	1.73	1.73	1.84

## COST OF ASSORTED MARKETBASKETS (LOWEST PRICE IN BOLD TYPE)

Cereal/bakery (11 items) .....	14.52	14.31	13.91	13.97	14.23	<b>13.70</b>	14.21	14.69
Meat, poultry, fish (30 items) .....	70.67	<b>70.14</b>	72.86	73.36	72.19	77.22	78.14	71.75
Dairy/eggs (14 items) .....	24.02	23.84	<b>23.27</b>	23.92	24.11	23.75	23.77	24.53
Canned and packaged goods (24 items) .....	36.41	36.33	<b>36.03</b>	36.08	36.30	37.18	37.18	37.39
Fresh produce (9 items) .....	5.77	5.27	5.98	5.27	5.24	4.75	<b>4.58</b>	6.05
Non-food (12 items) .....	22.82	22.17	23.77	20.82	22.99	24.58	22.83	25.44
<b>TOTAL MARKETBASKET (100 items)</b>								
<b>This week</b> .....	174.21	<b>172.06</b>	175.82	173.42	175.06	181.18	180.71	179.85
<b>Last week</b> .....	175.13	173.32	174.59	<b>173.26</b>	175.96	179.42	177.99	179.07
<b>Two weeks ago</b> .....	176.63	175.09	180.10	173.09	174.34	180.32	179.20	178.73

## UNDERSTANDING THE TABLES

N.A. INDICATES THE ITEM NOT AVAILABLE THIS WEEK IN THE LISTED STORE.  
 \* INDICATES PRICE IS AVAILABLE ONLY WITH A COUPON OR WITH A MINIMUM PURCHASE, OR THERE IS A LIMIT TO THE QUANTITY THAT MAY BE PURCHASED AT THIS PRICE.

Prices quoted are those listed on the items when they were surveyed in Des Moines Wednesday by price checkers hired for a study by Purdue University. No guarantee or assurance is given that the prices are the same today in these stores or in other stores in the same chain. Every effort was made to price meat and produce items of comparable quality at all stores. Where "least expensive" brands are priced, some variation in the quality may exist due to differences in stores' standards for private- and plan-label products. In these cases, each shopper will have to decide which item is the best buy.

Copyright, 1979, Des Moines Register and Tribune Company

Figure 2 indicates that the price report had a dramatic effect on retail food prices in Springfield Missouri relative to prices in the St. Joseph control market. Food prices in the two markets were moving roughly together in the pre-period before publication of the price reports. However, Springfield prices dipped significantly in the early weeks of the price report. Not surprisingly, Springfield grocers' tempers rose during this period, and these retailers proved to be the most violently opposed to the report. I would not disagree with these grocers judgement that the Purdue price report precipitated a price war in Springfield and seriously affected food profits in this market. Figure 2 also indicates that the two markets moved together again after the price report was discontinued in the post period.

Why did the Springfield grocers react so strongly to the price report? This market is prone to price wars. It has some aggressive independent operators and a dominant chain which had advertised for some time that it was the lowest-priced store in Springfield. This store was not reported as the lowest-priced in the Purdue report.

That not all Springfield foodstores responded in the same way to the price report is evident from figure 3. Consumers is the regional chain which had advertised that it had the lowest prices in Springfield. It then proceeded to lead the price war while several other retailers followed. The Safeway store, however, for the most part ignored the price report and the price war. In general, this pattern was repeated in the other markets: independents and smaller chains reacted more to the price report than did the large national chains.

The differential market responses to the price report are shown in figure 4. Here, the relative effects of the price report are shown as the price ratio of the test to its control market. A declining ratio indicates that the test market price level fell relative to the control market price level. This was the expected direction of price movement.

Clearly, the Springfield case was extreme. While this price ratio also fell during the test period in Erie and Des Moines, the effects were not nearly as dramatic. Moreover, it appears that the price report had little effect at all in South Bend. That these three cities had a larger representation of chainstores-to-independents than Springfield suggests that market structure

is indeed an intervening variable in the operation of a price report. On the other hand, it does not appear that market concentration as measured by the share of market sales of the top four stores was related in any causative way to the differential effects of the price reports in the 4 test cities.

With further investigation of the data we hope to shed some light on the dynamics of these responses to the food price reports. How long does it take for price reporting to influence price levels in local food markets? What are the maximum and minimum results that can be expected? What happens to prices when the price reports are discontinued? How much of the market response was due to the publicity effect and how much was due to customer-induced price reductions, either through store switching or customer complaints? Which consumers used the price reports and how? Answers to these and related questions will help in evaluating the potential of price reporting as a consumer anti-inflationary tool.

Another important issue relates to the generalizability of the price reporting effects. Do grocers only lower the price of the published items or are other items' prices also affected? The latter appears to be the case, as shown in figure 5. At least in Springfield, both the prices of the 26 published and unpublished items fell about 7 percent during the publication period. Whether or not these price reductions extended to other food products cannot be known from this study. However, it appears that there is a tendency for some spill-over of price effects from the published to the non-published items.

Analysis of the consumer survey data generated by the study has not been completed. Nevertheless, it appears that large numbers of consumers who would have been exposed to the price reports in some fashion during the publication period either did not see the reports, did not find them of interest, or otherwise did not use the reports. These results seem consistent with other surveys of consumer information which have reported rather disappointing levels of interest in these kinds of programs. The price reports were rather complex and required some study on the part of consumers. Simplicity in the reports could have been gained at the expense of some comprehensiveness. It also appears that many consumers were only interested in the 100-item market basket totals, even though it might be thought that these figures are

FIGURE 2

# Effects of Retail Food Price Reporting, Test v.s. Control Markets: SRRRINGFIELD, SAINT JOSEPH

(weighted-100 items)

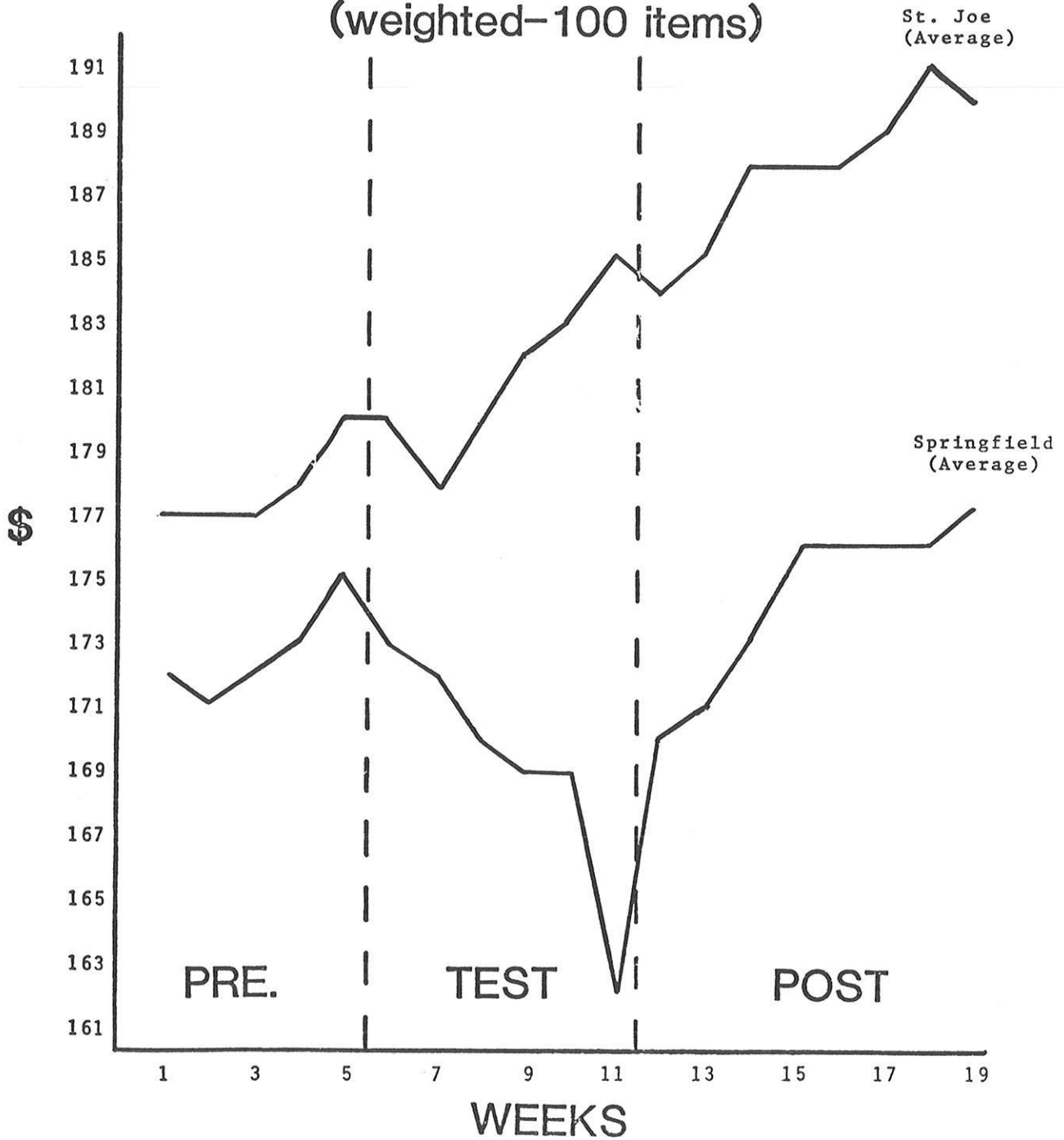




FIGURE 3

# Foodstore Responses To Retail Food Price Reporting

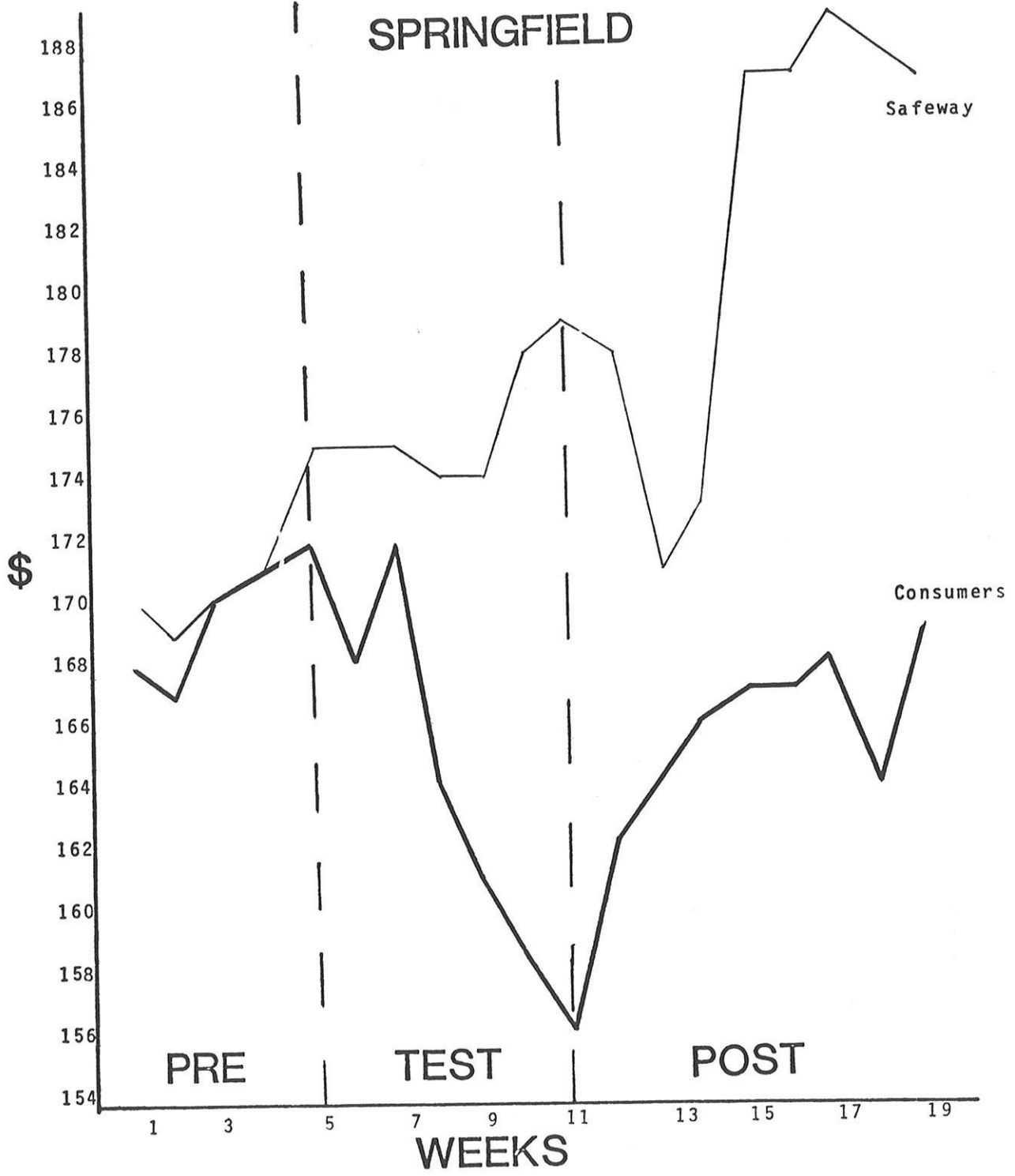


FIGURE 4

### Ratio of Market Basket Costs, Test v.s. Control Cities (weighted-100 items)

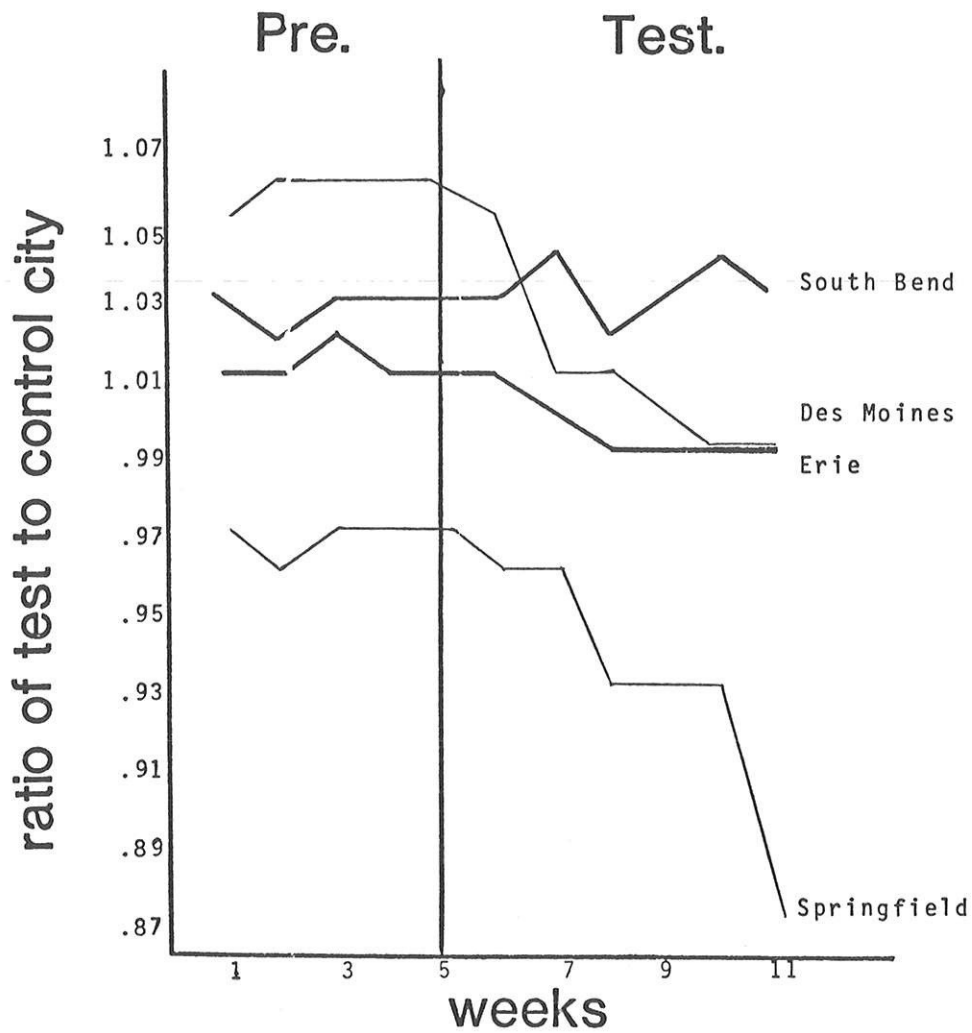
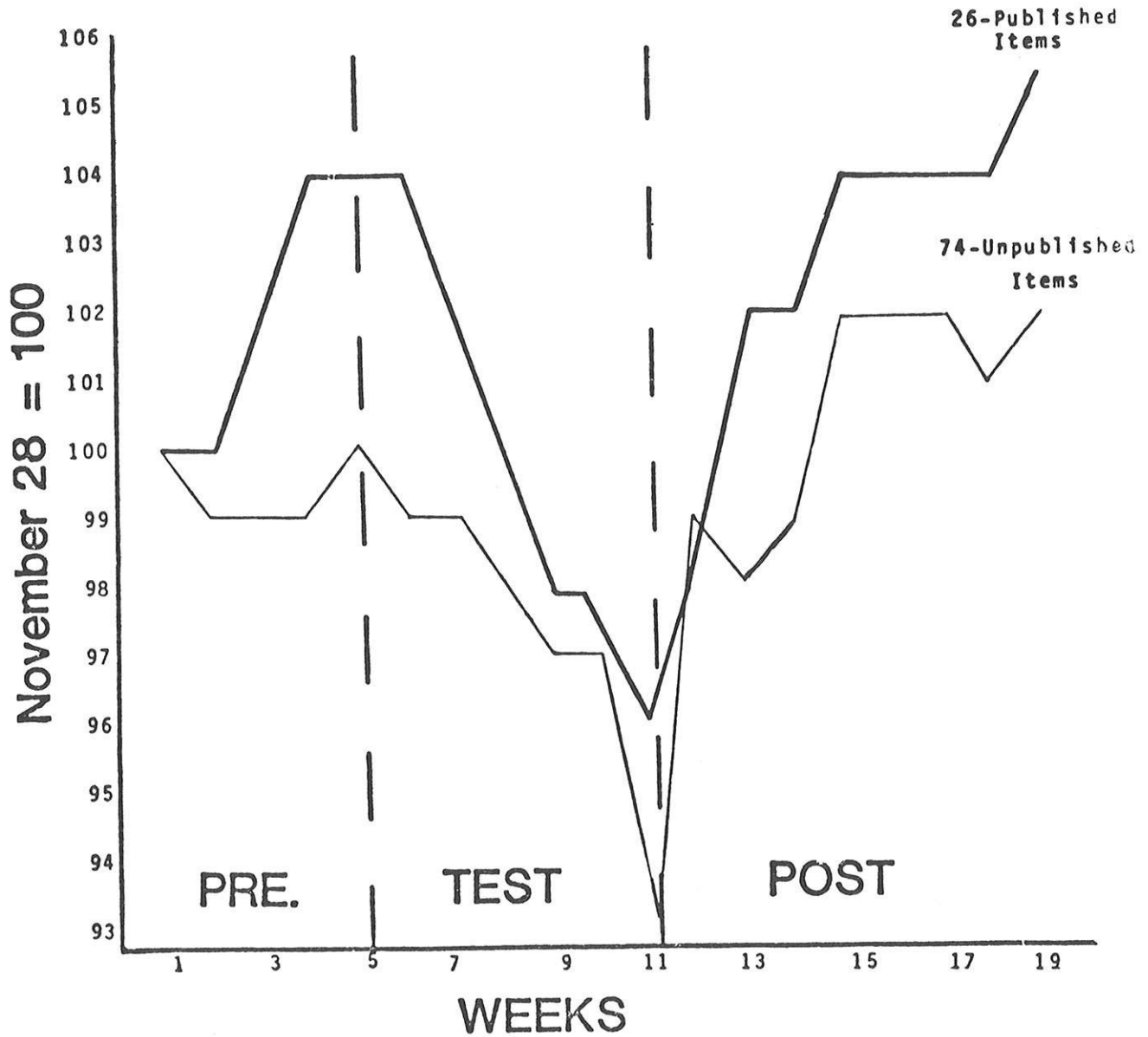


FIGURE 5

# Effects of Retail Food Price Reporting On Prices of Published & Unpublished Items SPRINGFIELD 1979-1980 (weighted)



more subject to misinterpretation by the average consumer than the departmental and item-specific figures.

#### Some Tentative Conclusions

What have we learned about food price reporting from this research? Some generalizations would include.

1. Food price reporting does appear to have some potential for reducing retail food price levels.
2. Not all foodstores and markets will respond in the same ways to retail price reporting.
3. Retail food price reporting, if done well and accurately, is quite expensive and not a job for amateurs.
4. Not all consumers are receptive to food price reporting.
5. The grocery trade will be opposed to third-party price reporting where it judges that these reports will influence patronage patterns and competitive relationships.
6. The effects of price reporting appear to extend beyond the specific item prices reported.
7. The maximum impacts of the price report seem to occur within a 10-week reporting period and prices rebound to their former levels quickly upon termination of the price report.
8. Many consumers seem more interested in overall relative store price levels than in the prices of specific food items.
9. Grocery store managers often are uninformed about food prices on their own shelves, and many grocery items are mispriced.
10. There are some courageous newspapers which place reader service obligations above advertising revenues and which will support comparative food price reporting. They are rare, however, and newspapers in general are not going to be an important media in the food price reporting.
11. There are difficult, though not insurmountable, problems in comparing the prices of different brands and

qualities of food items at different stores.

12. Public support will be necessary if there is to be comparative food price reporting at the store and brand levels. This will be expensive but the economic returns could be considerable.

## INFORMATION PROCESSING ASPECTS OF UNIT PRICING

Joel Rudd, University of Utah<sup>1</sup>  
Frank J. Kohout, University of Iowa<sup>2</sup>

### Abstract

This paper addresses two major information-related aspects of unit pricing: (1) consumer acquisition of appropriate price and size information and (2) consumer computation of unit prices. Analysis of data generated by a behavioral process study of consumer information acquisition and processing indicates the following results for the toothpaste test product: (1) consumers are more likely to select price and size information from the array when brand name information was unavailable than when it was available; (2) two-person groups are more likely to compute unit prices than are individuals.

The use of unit price labels in retail establishments is one of the most controversial practices in the current marketing environment. The last decade witnessed an extensive campaign by consumer advocates for unit price labels (Garland, 1973). Marketers and retailers were initially opposed to unit pricing on the grounds that implementation and maintenance costs would outweigh benefits to consumers. As its promotional and public relations advantages became apparent, some retailing organizations began to voluntarily implement unit pricing (Coyle, 1971). By the late 1970s, however, only eight states and six municipalities had enacted mandatory unit pricing legislation (Day, 1976; Price, 1978). Thus, for many consumers at the present time, unit price labels are simply not available for many items in many retail outlets. For instance, in the midwestern state in which the present study was conducted, the only retail outlets in which unit price labels are systematically available (apart from their traditional use on meat, poultry, and fish items in food stores) are in the state liquor stores. In cases such as these, the only option available to consumers wishing to make unit price comparisons is to compute the unit prices themselves.

The original motivation behind the promotion of unit price labels by consumer advocates was the perception that the combination of unstandardized and fractional package sizes and item prices often made it difficult or impossible for consumers to make appropriate price comparisons (Friedman, 1972). It was argued that the inability or unwillingness of consumers to compute unit prices was causing them to spend more

money than was necessary. The two underlying assumptions behind the push for unit pricing labels were that (1) consumers could and would use this information in making purchase decisions, and (2) consumers would therefore make better purchase decisions, i.e., would save money.

The bulk of the research on unit pricing has in one way or another tested these assumptions. That is, most unit pricing research has focused on the extent to which consumers actually use the unit pricing labels in their purchase decisions. Unfortunately, most of this research has employed some variant of self-report survey methodologies which do not have a high degree of demonstrated reliability (Monroe & LaPlaca, 1972; Russo, 1977). With one exception (McElroy & Aaker, 1979) these surveys were performed only after an initial, brief introductory promotional campaign. These surveys generally measure reported awareness and/or reported use of unit pricing, thereby providing only crude tests of the first assumption (e.g., Gordon & Lee, 1977, p. 276; Price, 1978).

Among reasons commonly given by consumers for not utilizing unit price labels are lack of time or interest, loyalty to a given brand regardless of price, confusion about what the unit prices mean, and inability to locate, read or understand the unit price labels (Garland, 1973; Gordon & Lee, 1977, p. 276; Price, 1978). The significance of this last reason should not be underestimated. As Day (1976) points out, a number of problems have been encountered in the computation and posting of unit prices in grocery stores. Among these are problems of incomplete or inconsistent coverage within a given store, labels which are difficult to read or understand, and lack of in-store material explaining what unit prices are and how to use them. It is quite possible, therefore, that a substantial proportion of those consumers who never use unit price labels or who choose to do so only some of the time, are reacting to this part of their consumer environment in a "rational" way. A consumer cannot reasonably be expected to use unit pricing labels where none exist; nor when they are illegible or unclear. Neither can consumers who have never been educated (in-store or elsewhere) in the use of unit prices be expected to use them.

Because of the widespread lack of complete and consistent utilization of unit price labels by retailers, it is inappropriate for researchers to assume that the only way to deal with unit pricing is through the study of pre-computed labels. Further, the assumption that most consumers are incapable of or disinterested in computing unit prices may be erroneous.

<sup>1</sup>Visiting Assistant Professor of Family and Consumer Studies

<sup>2</sup>Associate Professor of Sociology