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ABSTRACT

A consumer policy framework, consisting of elements of planning, rationales for intervention, governing instruments and representation and funding is discussed.

The consumer interest is complex. It frequently comprises a number of conflicting sub-interests and multiple goals. Because of this, an analytical and conceptual policy framework is needed if one is to be able to assess current consumer policy and effectively and rationally develop priorities and prepare legislative agendas for consumer policy.

FIGURE 1 Elements of a Consumer Policy Framework

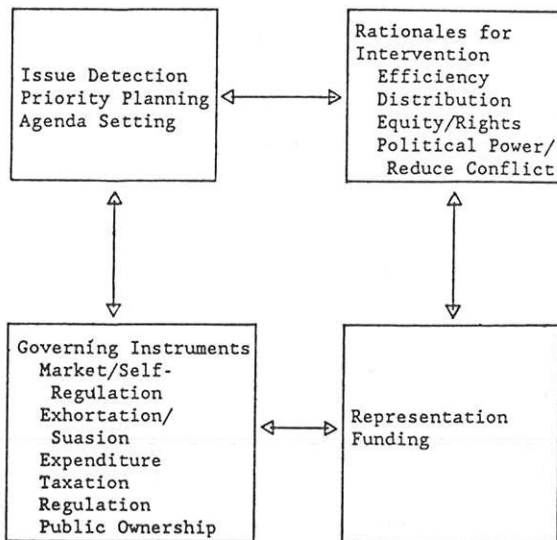


Figure 1 depicts the four elements of the consumer policy framework which are used as the structure for this paper. Its first element revolves around the problems of detecting and evaluating consumer problems. The second outlines rationales for consumer policy. The third describes the governing instruments which may be used to address consumer problems and the forces affecting choice of instrument(s). The final section discusses policy questions of consumer funding and representation. Examples illustrating these concepts are taken from countries in the OECD, the twenty-five developed countries, mainly in Western Europe and North America.

ISSUES, PRIORITIES AND AGENDAS

Consumer institutions, government and private, face the problem of deciding the how, what, when, where and why of their activities, as do other interest representation groups. They have limited resources and need to plan if they are to use those resources most effectively.

Issues

The detection of consumer problems comes about in a range of structured and unstructured ways. Something which affects consumers in sufficient magnitude to cause them to complain has been the historical source of issue detection. The establishment of the first weights and measures standards thousands of years ago no doubt sprang from just such complaints. Health and safety regulations of all kinds had similar histories and this avenue of issue detection will continue. In addition, both government and non-government investigations have been used to evaluate the nature and magnitude of consumer problems in a more systematic way. Consumer surveys, using a variety of data collection techniques, has been the general methodology for these efforts. [16; 2; 5] While these types of efforts are extremely useful in providing overviews of consumer problems, they are expensive, time consuming, and are not done on a continuous basis.

A number of activists interviewed would like to have an on-line system to record consumer problems as they arise and to help set agendas and priorities for legislation. Such a system exists informally in Europe with the Consumer Interpol network whereby consumer groups in the various countries, along with BEUC and IOCU (Bureau European des Consommateurs and the International Organization of Consumers Unions), report consumer problems to each other on a regular basis. "There exists in England and Wales a system know as HASS (Home Accident Surveillance System) which systematically picks up data from emergency departments in hospitals on home accidents. This is used by the Consumer Safety Unit to help determine priorities." [17] Similar networks, established by food and drug ministries in various countries, could be considered consumer issue detection devices. A number of studies have shown that only a small percentage of people who are dissatisfied actually complain. Indeed, although we all have pre-conceived ideas about how and when people complain, there has been only a limited amount of research on the factors behind consumer complaining behavior. [11; 14] Therefore, consumer groups and agencies often use studies and other means to, in a proactive way, identify consumer problems which need attention.

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## Priority Setting

A major problem facing policy makers is setting priorities and allocating resources to those concerns which they feel are the most needed. The decision should be one of cost/benefit analysis and involve a number of considerations which can only be outlined briefly here. The first question which must be addressed is the magnitude and severity of the problem. For example, the passage of consumer product liability legislation, whose absence may cost consumers millions of dollars annually, would have greater benefits than improving the present labelling on canned food. However, any benefits should be weighed against the costs of achieving them. Improved canned food labelling may be relatively inexpensive and easily attainable. However, because of intense business resistance and lack of commitment by governments, product liability legislation may be costly and impossible to obtain in the short run.

Another example is the setting and allocating of finite budgets across the multiple tasks of large consumer organizations. For example, Consumentenbond, the Dutch consumer organization, reports to a governing group composed of representatives of eighty local consumer organizations and other consumer groups. That group discusses problems and sets policy goals on a periodic basis for the one hundred and fifty staff employees of the organization. [19] BEUC engages in a similar policy planning process when its Council, composed of representatives of consumer organizations for each EEC country, meet and put together a Programme of Activities, which is in reality an eighteen month to two year resource and issue planning document. [3]

## Agenda Setting

Agenda setting involves attempting to have particular issues raised by governments and put into the legislative stream, or more generally raising a particular for public debate. Whether or not it is depends on a number of circumstances. The government must be receptive, the public's interest must be obtained and the case must be prepared and ready for presentation. Contaminated cooking oil in Spain in 1981 which killed 386-650 consumers and maimed 25,000 provided the impetus for the expansion of the Spanish consumer organization, OCU, as well as for the establishment of increased government institutions and commitment by the Spanish government. [9, pp. 236-237; 12] Further, using resources to highlight issues, such as media activities, letter writing campaigns, dissemination of information in publications, and speeches and appearances all are part and parcel of lobbying and influence management and must be considered in agenda setting. And this is true for both government and private groups. Just as business groups in the United States were able to set their agenda and successfully defeat the bill to establish a Consumer Protection Agency, members of the European Economic Community consumer policy community have brought pressure on a number of governments and institutions to develop product liability legislation. To attempt to pass consumer legislation in the face of the business onslaught

in the U.S. in 1978, given the attitudes of the federal government, would have been poor agenda setting. Consumer groups diverted their efforts to state governments who appeared more open to considering consumer policy questions. [13]

This brief introduction illustrates that a policy framework is not a cut and dried affair. Benefit-cost analysis is a useful tool to help set priorities, but its users know that it is a only a tool, subject to many problems of judgement, measurement and estimation. [24] Benefits for consumers frequently are costs for other groups, including politicians, who may not view the consumer interest in the same light as do its advocates. Budgets may be tight, ideology against new legislation or enforcement of existing legislation in the consumer interest may be high, or a number of more important items may appear on the political agenda to thwart efforts to address pertinent consumer issues. On the other hand, events frequently unfold so that the environment suddenly changes in the positive direction. But, unless the issues are understood and policy positions are prepared and ready to enter the public debate, an opportunity may be lost. Indeed, those wishing an issue's advancement may not recognize that the time is fortuitous unless they have done the necessary planning and preparation. That is, planning is the "anticipatory decision-making" which allows organizations to take advantage of opportunities when they arise.

## RATIONALES FOR POLICY INTERVENTION

Rationales for intervention on behalf of consumers have been divided into four areas to facilitate discussion. [18; 22] The first three, improved economic efficiency, redistribution, and creating equity and rights, have been standard classifications for a number of years. The fourth, political rationales, is added because it is often cited as a rationale for intervention in the real world but not thought of as legitimate, for some reason.

### Actions to Improve Economic Efficiency

The classic types of situations where intervention is felt to be justified includes market imperfections caused by lack of or distortions of information, uncompetitive or extortionate prices, lack of market accessibility and monopolistic market structures. High transactions costs, such as in information acquisition and analysis and in obtaining individual redress, are other major consumer concerns. The fact that some goods and services may be more logically treated as public goods, such as education and health care, may also fall under this rationale for intervention. Classic economic analysis predicts that intervention should increase the economic efficiency of the marketplace and lead to greater societal wealth. Whether it does or not depends, of course, on how the intervention is executed and the instrument(s) used.

## Distributional Alterations

Actions to alter wealth, income, or consumption distributions are based on concepts of justice and equity held within a society. They are highly cultural in their roots, in that they are based on widely accepted beliefs that there are basic human needs to be met and that income, wealth and consumption of some minimal level of goods and services is the basic right of all members of the particular jurisdiction. The goals of policies under this rationale include redistributing income, ameliorating poverty and providing basic services such as education, health care, housing and transportation to those who cannot pay for them or who cannot acquire sufficient quantities of them in market transactions. Such distributional questions are usually contentious in their implementation, even if their goals are widely shared in principle, because they involve taking from one group and giving to another.

## Actions to Affect Equity or Create Rights

Rights are non-market goods granted to individuals and groups by the government. Rights are what governments define them to be and which governments are willing to enforce when called upon to do so by individuals. [Adapted from 21] The demand of consumer groups for the establishment of a consumer bill of rights in a number of countries has been a campaign to create rights. These "social rights" for consumers represent a general understanding that without guaranteed access to justice in its broadest sense the ideals of democracy for a wide number of people are meaningless; they are in "legal poverty." [4, p. 183]

Many rights may be widely accepted in one group of societies when in others they may be highly controversial. For example, most OECD countries have universal medical care while the United States has a market-oriented system not considered appropriate in the other countries. [8, Chap. 14; 1]

## Intervention for Political Reasons

Some intervention rationales are clearly justifiable on their political goals. As balancers of interests, governments, which in the final analysis are run by politicians, react to political desires to power and to the need to reduce conflict among groups within their jurisdictions. A number of the most ethical and far reaching rationales for intervention is "part of the continuing process of deciding what sort of a society we shall be -- how risk averse, how hospitable to entrepreneurial change, how solicitous of the vulnerable..." [23]

Reacting to political power and the need to reduce conflict among groups in society is a common rationale for intervention. A number of business and other interest examples can be found for each OECD jurisdiction and are left to the reader to supply. Defeat of the Consumer Protection Agency bill in the U.S in 1978 illustrates the business lobby's reaction to a potential government department protecting consumer interests at the federal level. [9, pp. 258-261] At another time

society may wish for greater consumer equity and decide to implement truth-in-lending or any other measure with wide support from the electorate for that type of societal environment. Seldom are interventions based on only one of these four rationales. More generally, intervention is based on a combination of them.

Recognizing the bases which exist for intervention, the government must go through the following reasoning process:

- Is there a basis for intervention?
- If yes, are there instruments available which will rectify the problem?
- If yes, what other (political) objectives are pertinent, and will any of the available instruments satisfy those objectives?
- If yes, which instrument(s) do we actually use?

## GOVERNING INSTRUMENTS

A number of "governing instruments" are available to governments with which to attempt to attain the goals of intervention. The concept of governing instruments is an important one in policy making, since it attempts to structure and consider the effects of using a particular instrument or group of instruments before their use, instead of implementing a policy and only after the fact recognizing their conflicting and often deleterious and unanticipated side effects. Yet, the use of the governing instrument approach will not answer all the concerns of policy makers. First, it would be naive to suggest that policy makers are able to identify and weigh all the effects of the instruments chosen. In particular, there is not perfect information about what is desired, nor what market failures exist, nor how the population might want wealth and rights distributed. In reality, there are competing interests providing slanted, incomplete information in order to influence policy and instrument choice. Second, there is a good case for suggesting that those involved in the policy process do not act solely with "public" or "societal" interests in mind. Self-interest is a common motivation for all parties involved. In spite of their problems, the use of governing instruments provides an attractive starting point for policy making. Their use require the attempt to provide concrete, identifiable, measurable outcomes of the policy intervention. The attempt to determine how their use will achieve a goal, or in the case of hindsight, how effective their use has been, provides a much better approach than the ad hoc methods used previously. In addition, governing instruments are both a means and an end in the policy process. That is, certainly they are techniques to carry out a policy objective, but at the same time they represent an outcome of the process itself and indicate what was politically possible at the time they were passed. This provides insight into the difficulties of intervention which may help in future decisions. In other words, they provide a structured approach



to the complex process of policy making which, until recently, was thought not amenable to structured planning and analysis.

#### Definitions of Governing Instruments

Table 1 orders governing instruments on a spectrum of the degree of legitimate coercion which each instrument implies. They range from the least coercive forms of self-regulation and exhortation/suasion to the most coercive measures of regulation and public ownership. Where coercion increases, the instruments usually involve sanctions or penalties to back the desire by government to elicit certain behavior.

TABLE 1 Governing Instruments

SELF-REGULATION	market operates or self-regulation
EXHORTATION/ SUASION	pure political leadership, mass suasion, consultation leading to co-option, use of confidential information, monitoring and information disclosure, suasion with inducements (corporatism)
EXPENDITURE	as an employer, monetary and fiscal policy, grants, tax expenditures, loan guarantees, social programs and transfers, subsidies
TAXATION	non-tax revenues (e.g., royalties), taxes, tariffs, rules, (e.g., quotas, standards), fines, guidelines
REGULATION	restrictions, guidelines, rules, fines, sanctions
PUBLIC OWNERSHIP	government agencies, crown corporations

SOURCES: [25; 6; 22]

A brief discussion of the major governing instruments affecting consumers in OECD countries serves to illustrate the concept. Interested readers are directed to the sources cited on the table for more details. Joop Koopman, Director of Consumer Policy in The Netherlands, suggests three levels of instruments which range from governments providing for basic rights, self-regulation and actions between consumer groups and business. [15]

#### Self-regulation

Self-regulation and letting the market operate implies no government intervention. However, self-regulation must operate in an environment which has a number of rules, such as weights and measures, health and safety regulations, information disclosure, fraud and the like. Since there are many rules in force, one must evaluate its use in the context of the environment of rules in which it must operate. In the case of self-regulation, such as that for professional bodies and labour unions, where coercive legislation requires membership, dues payment plus members conforming to rules set by the governing body, consumers have a real concern because they have little say in the operation of these bodies, whose rules can have profound effects on the consumer interest. Self-regulation implies a good deal of

freedom for the regulated group to manage its own affairs, but it usually insulates the group from many market forces and from effective political control.

#### Exhortation and Suasion

Exhortation and suasion are a commonly used form of intervention which runs the gamut from simple exhortation by politicians to the corporatism schemes whereby governments have permitted a close relationship and liaison with labour and business in Europe in the planning of economic development, incomes, employment and social policy. [20]

#### Expenditure

As an employer, governments expend tax money for consumer purposes through the funding of government institutions which represent and protect consumers -- consumer ministries, safety and health enforcement and the like. Some governments, such as France, Germany, Denmark and Sweden, finance government testing and information programs to a much greater extent than do other OECD countries. Many countries, in one way or another, subsidize private consumer groups in a variety of ways. The problem of co-option is a concern of many consumer activists, but the funds are welcome and they are hard to resist.

#### Taxation

Taxation has usually affected consumers' interest representation and policy advocacy in a negative way. Consumers' major adversaries, business and other special interest groups, are permitted by the tax laws in most countries to deduct most advertising and lobbying expenses from before tax income. Consumers, on the other hand, support their groups with after tax revenues. Further, laws governing tax exempt or charitable institutions, which provide for tax credits on donations, result in de facto restrictions on consumer lobbying activities.

#### Regulation

Many of the measures sought by consumer ministries and consumer organizations involve the passage of legislation which regulate and restrict the behavior and activities of manufacturers and sellers to the benefit of consumers. Weights, measures, safety and health legislation, information disclosure rules and the restriction of anti-competitive behavior are all intervention instruments which fall into this classification. Many of them are designed both to improve economic efficiency as well as to ensure consumer rights. Where sectors of society are regulated, either by governments or by self-regulatory bodies, consumers want to ensure that their interests are included in regulatory decisions. Experience has shown consumer groups that effective power -- voting rights and more than token membership -- plus the resources to develop their case is a prerequisite to any real influence in regulatory matters.



## Public Ownership

Consumers are vitally concerned with their ability to ensure the consumer interest is represented when the government decides that public ownership is an appropriate governing instrument. Publicly run telecommunications and transportation systems, broadcast media, postal services, power utilities and a variety of country-specific public ownership situations may provide areas of concern for consumers. The immediate situation consumers desire to remedy is frequently similar to that of regulation, providing for effective consumer interest input. In the long run, consumers may advocate for a level of privatization or institutional modernization which attempts to obtain goods or services more appropriate to consumers' needs and to changing conditions. This has been exhibited in the air transport and some telecommunications situations. However, the process of attempting to change established government institutions is frequently volatile and controversial, fraught with ideological conflict even within many consumer organizations. I hasten to point out that many public enterprises are valued by consumers and appear to have stood the test of time as effective governing instruments. Postal service, police and fire protection and health services are examples.

## CHOOSING GOVERNING INSTRUMENTS

Choosing governing instruments can be very political. It is assumed that the actors in the choice process -- politicians, voters and other interests -- act in their rational self-interest. That is, the normative goals of economic efficiency, a just distribution of wealth and income, and so on, are not directly goals of the actors, although they may very well end up as outcomes or by-products of the process. This drive of self-interest, in combination with imperfect knowledge of the costs of obtaining and analyzing information, results in a bargaining process for information and policy favours analogous to economic markets. This is, of course, a simplistic and limiting view of the process, but it is a useful analytical technique.

Rational self-interest means for the various actors that: politicians have as a primary goal their re-election; political parties wish to maximize their votes, particularly by focussing on marginal voters in swing ridings; voters maximize their utility, viewing political activity as an investment in future benefits, basing their decisions on past performance; and interest groups focus on the magnitude and permanence of possible benefits and on the costs necessary to obtain them. Information on how policy decisions affect voting is the valuable commodity sought by politicians and political parties. However, except for very special issues which are usually not the normal fare of advocacy activities, it is almost impossible to relate policy decisions to voter behavior. In this regard, those interests with resources have more political power and will use

that power to increase their resource base. Hence, over time, the lobbying and electoral processes will tend to increase inequalities in bargaining power and the distribution of wealth. Second, voter ignorance on an individual level becomes rational, because the costs of informing oneself on issues or of participating actively in the process are greater than the benefits received from a single vote. However, recognizing the collective benefits to efficient information use in the policy process, individuals join or support influence groups to use their collective power to influence policy. (Forbes 1985)

TABLE 2 Factors Affecting Instrument Choice

Criteria	Comment
Costs	monetary, non-monetary, social, political, administrative
Efficacy	does it work, can goals be achieved
Targetability	selectivity of cost/benefit distribution
Signalling	ability to show economic or political value of the instrument
Capacity	symbolic/ideological content; role of government in society, party ideology, electorate ideology
"Fog Factor"	ability to disguise true objective, avoid political flak
Reversibility	ability to withdraw
Modifiability/ Flexibility	re: targets, scale, cost/benefit distribution
Speed of Implementation	
Accountability	budget, committees, etc.
Monitoring Cost	
- Politician	
- Voter	
Legality	
Constitutionality	

SOURCE: [Adapted from 22]

Factors affecting the choice of instruments vary from costs of all kinds to the more difficult to measure, but no less important, judgemental and political considerations. Table 2 presents a listing and comments about factors which influence particular governing instrument choices. The choice of specific instruments is often a complex political bargaining process. The outcome of that process may be less than optimal once the tradeoffs among the parties involved are completed. However, those are the facts of life in representative democracies. Politicians, faced with conflict between opposing groups, for example consumers and business firms, best satisfy their own political goals if they can find a solution which satisfies both groups. Of course, explicit goals may be mutually exclusive and thereby in conflict. But, if a solution can be found which symbolically satisfies the objectives or goals of one group without affecting the other group negatively, the politician would have satisfied his or her own goals. It is hypothesized that regulatory bodies do just that: consumers perceive the body as protecting them, while regulatory capture of the regulators by the regulated protects the regulated group. Everyone feels they have won; of course, somebody may have to lose,

and in too many cases in consumer policy it seems to be the consumer, at least in the short run.

The way in which ideology affects the choice of instrument can be seen at two levels. On a broad level we can see that there are differences between countries in the perception of the role of government in the marketplace. The U.S., France and the U.K. in recent years, tend to believe less government is better. In Canada, Germany, Sweden and other European countries, however, there is much less concern about government intervention where apparent justification for such intervention is perceived. Of course, I expect many would disagree with these generalizations and I would not always quarrel with them, since they are generalizations. Even within a country, we cannot overlook the ideology of individuals and, most importantly, political parties. Hence, although we recognize that the U.S. is less inclined to government intervention, the Democrats are somewhat less concerned about this than are the Republicans. A further complication to this is the role that the political system itself plays. In a parliamentary system, such as that in Canada and the U.K., the party line is strictly followed, and the party in power has the ability to pass, within reason, whatever legislation it introduces. In the U.S., where the split of executive and legislative powers and the complex committee system lead to a considerable amount of bargaining between even the individual politicians involved, the party ideology may be less important than that of the individual legislators who occupy pivotal power positions.

Finally, there are various constitutional, legal, and administrative constraints on the choice of instruments. Most actions, for instance, face constraints because of the separation of federal (national), state and provincial and local governmental power and the jurisdictional disputes which inevitably result. These problems are multiplied many times in the case of supra-national governments and organizations, such as the EEC and the United Nations. Further, the best laid plans and policies may be thwarted by simultaneous actions elsewhere in the bureaucracy or outside one's national borders.

#### GROUP REPRESENTATION AND FUNDING

Consumer group funding and representation are critical in policy planning and implementation. Businesses do not engage in influence activities without expecting they will receive a payback for those expenditures nor do professional groups and trade unions.

Consumer groups, on the other hand, produce "public goods" financed by their members. Consumer group members are always a relatively small portion of the total jurisdiction they represent. The "public goods" the consumer groups obtain are free most generally to members and non-members alike. Examples include lower air fares as a result of consumer influence activities, improved

labelling legislation, less restrictive food policies and the like. Non-members are "free riders" in the sense that they receive the benefits from consumer group activities but have not paid any of the costs. A different example of a public good was shown by Dunn and Ray. In a major study of the benefits and costs of local consumer information systems commissioned by the National Science Foundation in the U.S., they estimated savings of one hundred billion dollars annually (1979 prices) from improved local consumer information systems. Costs for such systems were estimated to be only a "small fraction of the benefits." [7] With such strong evidence of an economic welfare and efficiency rationale, one wonders why the recommended a market provided solution rather than the obvious public funding indicated.

However, these types of funding questions are highly ideological in nature. Further, since all governments have finite resources and many conflicting demands on them, only portions of some consumer information, advocacy and representation activities receive public funding even though they result in producing public goods. This is due to a variety of reasons. The structure of consumer representation in the OECD countries is highly variable, a result of history and of the political practice of the country or institution involved. The range of organizational forms and funding vary across the spectrum from no private consumer groups, with government organizations representing the consumer interest, as in Denmark, Sweden and Germany, to little government support, with almost completely privately funded consumer groups, as in the United States, to ineffective or non-existent consumer representation of any form as in Greece and Portugal. France, the United Kingdom and Canada fall in the middle with a mix of private and government organizations and funding.

In some countries, there has been a recognition that if public goods result from the efforts of consumer pressure groups then some means to reimburse such groups for the costs of these activities is fair. For example, the costs of interveners in some regulatory hearings in Canada and the United States may be reimbursed by the regulatory agency. However, this type of funding is far from universal and is open to changes in government attitudes.

The question one would like to have answered is whether or not the source of funding and the effectiveness of consumer representation are related. That is the subject for future research and is commented on elsewhere. [9]

#### CONCLUSIONS

As consumer representation groups become more mature, they stand to benefit from planning agendas and from developing support for rationales to substantiate the need for government intervention, or, conversely, non-interference, on their behalf. Cost/benefit analysis and analyzing

policy interventions on a governing instruments continuum applied to consumer policy issues has the potential for better understanding how different policy alternatives affect the attainment of consumer policy objectives. A continuing topic for policy debate will be the appropriate mix of private and public funding of consumer activities, especially for those activities with a large public goods component to them.

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ABSTRACT

This paper is focused on different patterns of common and conflicting interests, among consumers, between consumers and business, and between consumers and government. Eight such patterns of interest relations are identified, and consumer policy implications of each pattern are discussed.

INTRODUCTION

The purpose of consumer policy is to advance consumer interests. This may be done in alliance or in conflict with other interests in society. Thus, it is argued in this paper that models and strategies for consumer policy should be examined and evaluated in the light of interest relations among consumers as well as between consumers and other actors, such as business and government.

The idea is that both similar and different interests, both common and conflicting interests, may be found among consumers as well as between consumers and other actors. The constellation, or pattern, of such interest relations may vary, not only between different countries, but also between different issues and situations within a country. Furthermore, various individuals or groups may have different perceptions or assumptions of such constellations. One implication of these variations is that it may be adequate to develop different models and strategies for consumer policy, depending on the specific patterns of interests involved in various issues and situations.

With this background, it is the purpose of the present paper to suggest a typology of models and strategies for consumer policy. The typology is based on a classification of eight different constellations of interest relations. For each constellation the following question is discussed: Assuming that this constellation exists, what seems to be the most adequate consumer policy? This discussion refers to examples from consumer policy in different countries.

Before the typology is presented, however, some major concepts and assumptions regarding interest relations will be discussed.

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CONSUMER INTERESTS AND OTHER INTERESTS:  
SOME CONCEPTS AND ASSUMPTIONS

Broadly defined, consumer policy includes any model or strategy which is intended to advance consumer interests. Such models or strategies may be developed by consumers themselves or by other actors, on behalf of, or for, consumers. Other actors, acting on behalf of consumers, may include both public agencies and private organizations.

The concept of interest may be defined in different ways. The definition used here is common in sociology and political science. According to this definition, interest refers to whatever is profitable to a group, or whatever helps this group get what it wants or what it (eventually) will find satisfactory [6, pp. 343-344]. There is a conceptual distinction between wants, which are defined "subjectively," and interests, which are defined more "objectively," [12]. Thus, we may be more or less aware, or more or less conscious, of our "true" interests [6].

The consumer interest is very difficult to define. It has been pointed out that this interest is diffuse and has low intensity [12]. Furthermore, the consumer interest has been described as complex [5, 20], and fractionalized [19]. Brown [1] maintains that the consumer interest may be ambiguous because the consumer assumes multiple roles and deals with a large number of goods and services.

Due to this heterogeneity of the category of consumers, there are a number of different or conflicting interests among consumers [5, 9, 20, 19, 1]. Each consumer may have internal role conflicts, for example between his/her interests as a consumer and his/her interests as an employee. Conflicting interests may be found between individual consumers competing to purchase the same house or other scarce goods. Furthermore, interest conflicts may emerge between different groups of consumers, such as private car owners and users of public transportation.

On the other hand, there are a number of situations in which consumers have common interests [20, 19]. It is possible to identify three different types of situations involving common interests among consumers. These types of situations correspond to three general forms of collectivities in society, which have been described by Osterberg [13]. The first type of situation is characterized by abstract identity: All consumers involved have a common, identical feature, and they are all aware of this. Individual buyers in the same market exemplify such a common feature. The role of buyer is usually perceived as common, although the

shopping activities are performed individually. Another type of situation is described as a concrete, positive collectivity. Members of such collectivities do not only have a common feature. Through socialization they have also developed certain common norms and values. Consumer cooperatives may be regarded as collectivities of this kind, when actively supported by their members. The third type of situation concerns collectivities based on conflicts. Consumers belonging to this kind of collectivity have in common a conflict with other actors. The internal relations within the collectivity are developed through the common external conflict. Organized boycott actions against certain products or certain companies are examples of such conflict-based collectivities.

Thus, the relationships among consumers are characterized by both common and conflicting interests. Basically, these interests are determined by the consumers' roles as buyers of goods and services, and by their relationships to the sellers of these goods and services. Essentially, these buyer-seller relationships are characterized by conflicting interests. Consumers are interested in satisfying their needs, usually by purchasing the necessary products with the highest possible qualities and the lowest possible prices. Sellers, or business actors, are interested in increasing their profits, by selling products in the largest possible quantities and with the highest possible prices. In spite of this general contradiction, however, consumers and business do not always have conflicting interests. There are many examples of alliances between consumers and business actors, based on common interests in special issues. Conflicting interests among sellers may facilitate the development of such alliances. For instance, consumers and small retailers may have common interests in supporting neighborhood stores in their competition with larger companies, which are favored by the concentration tendencies in the distribution system [3].

The possibilities of pursuing or advancing consumer interests are also determined by the relationship between consumers and the government, or governmental agencies, which regulate the conditions under which selling and buying are performed. The interests of governmental agencies are even more difficult to identify than consumer interests. First, it may be questioned whether governments have their own separate interests at all. While liberal schools of thought tend to consider the government as a moderator among different interests, more critical schools of thought regard the government as a tool in the hands of the ruling class. Second, governments do not only regulate business activities. They often run their own business, in which case government interests and business interests are identical. Third, sometimes different interests seem to be advanced by different governmental agencies. In any event, it seems possible, and important, to examine the relationship between consumer interests on a certain issue, and the interests which are advanced by specific governmental agencies on that particular

issue. Such examinations may reveal both common and conflicting interests between consumers and governmental agencies.

Thus, various types of consumer policy may be identified with reference to different constellations of common and conflicting interests, among consumers, between consumers and business, and between consumers and government.

Although the present paper is focused on these relationships, a number of other interest relations may also be relevant for consumer policy. For example, consumer interests can be advanced in alliance or in conflict with such actors as labor organizations, mass media, and political parties. In more thorough discussions of consumer policy related to specific situations or issues, all such relationships should be taken into consideration. However, the purpose of this paper is to discuss a general typology of basic models and major strategies for consumer policy. For this purpose it is reasonable to concentrate on consumers' relations to business and government, which are the most important actors.

As pointed out above, different or conflicting interests may be found within business and within government. Thus, it may sometimes be adequate to discuss different interest relations between consumers and business, as well as different interest relations between consumers and government. In a consumer policy context, however, some business or government actors are less relevant than others, and some of the relevant actors are less important and powerful than others. Discussions of models and strategies for consumer policy can therefore focus on those business actors and governmental agencies which are most relevant and important. This will probably lead to less ambiguity in the interest relations between consumers and business, and between consumers and government. If conflicting interests within business or government still are relevant and important in relation to consumer interests, it is reasonable to discuss separate consumer policy models and strategies with regard to each of these business interests or government interests. Distinctions among such separate strategies can be found in the typology to be presented in the next section of the paper.

#### A TYPOLOGY OF CONSUMER POLICY

As suggested above, consumer policy should primarily be discussed in relation to patterns of common and conflicting interests, among consumers, between consumers and business, and between consumers and government. As shown in Figure 1, we may distinguish among eight different patterns, or constellations, of interest relations. A plus sign in this matrix indicates common, or similar, interests, while a minus sign means conflicting, or different, interests. For each constellation of interest relations one basic model and one major strategy are identified in the matrix. In the following, these models and strategies will be described and exemplified.

FIGURE 1. A TYPOLOGY OF MODELS AND STRATEGIES FOR CONSUMER POLICY

Interest Relations			Implications for Consumer Policy	
Among Consumers	Between Consumers and Business	Between Consumers and Government	Basic Model	Major Strategy
+	+	+	Consumer Organization in cooperation with Business Organizations and Governmental Agencies	Collaboration
+	+	-	Consumer Organization in cooperation with Business Organizations	Negotiation
+	-	+	Consumer Organization in cooperation with Governmental Agencies	Lobbying
+	-	-	Consumer Organization	Countervailing Power
-	+	+	Governmental Agencies in cooperation with Business Organizations	Paternalism
-	+	-	Business Organizations	Self-Regulation
-	-	+	Governmental Agencies	Protection
-	-	-	Market Mechanism	Competition

- + Common, or similar, interests
- Conflicting, or different, interests

#### When Consumers are United

Four of the eight patterns of interest relations refer to common interests among consumers. The common interests provide a basis for collective, organized consumer action. Whether or not such collective action will be organized, depends on a number of factors, including consumers' consciousness of their common interests. The role and purpose of collective consumer action depend on the relationships between consumer interests and other interests.

Common interests with both business and government. The first pattern consists of common interests among all relevant actors. This constellation is characterized by harmony, and the opportunities for consumer influence are good. Given this constellation, it seems reasonable to rely on cooperation between the consumer organization, business organizations, and governmental agencies as a basic model for consumer policy. Thus, collaboration seems to be most adequate as a major strategy. This type of consumer policy is described by Koopman [8] as one of three levels of consumer protection. It is assumed that consumer organizations and business organizations should arrive at adequate consumer protection through self-regulation, based on more or less consultation and negotiation. The government supervises and watches the development, and supports and stimulates this process in various ways. Only if the collaboration does not work, the government will use more regulatory measures.

The state support to small stores, which was introduced in Scandinavia in the 1970s, is an example of this collaboration strategy [4]. The background was the increasing concentration process in the retail distribution system after

World War II. Many small neighborhood stores had to close. For consumers this meant increasing distances to the stores. The development led to substantial problems for many groups of consumers, such as elderly, disabled, and other groups with mobility or transportation problems. It was in the consumers' interest to stop, or to decrease, the concentration process. Consumer agencies collaborated with retailers' associations, especially those representing small retailers, on actions to keep small stores in business. Local consumer groups were organized to support these actions, including stimulating and motivating consumers to use their neighborhood stores and be loyal to them. The government took part in the collaboration and came up with a number of support measures to small stores, including a variety of financial support to such businesses [3].

Such collaboration strategies are developed more systematically in West Germany, in the area of product information and labelling [17]. Since 1978 a number of rules regarding content and comparability of product information to consumers have been developed by special federal committees, where business, consumer organizations and the government are represented. Decisions are made on the basis of complete consensus, rather than majority. There are no laws about these issues, except for certain food products.

Common interests with business, and conflicting interests with government. The next pattern reflects that consumers have a positive relationship to business, and a negative relationship to government. With this constellation the most adequate model seems to be cooperation between the consumer organization and business organizations, and the major strategy for this cooperation is assumed to be negotiation. The purpose is to influence business organizations by convincing them of how they should advance their own interests. Thus, the consumer interests would



also be pursued, since consumers and business have common interests. This constellation provides a realistic basis for building alliances between consumers and business. Such alliances might lead to self-regulation among business actors or joint consumer-business pressure on the government. Koopman [8] describes this policy as a level of protection where the responsibility rests exclusively with business and consumer organizations.

This strategy of building alliances with business may take advantage of the fact that there are conflicting interests among different segments within business. That was the case in an example of consumer policy in the United States, discussed by Vogel and Nadel [20]. The example refers to the Sugar Act of 1937. This act was a form of trade protectionism. In addition to quotas on import, it established subsidies to domestic producers, financed by a tax paid by manufacturers on the processing of sugar. Thus, the domestic price for sugar in the U.S. was higher than the world price. Consumers were interested in removing the Act to obtain lower prices. In this case consumers had conflicting interests with domestic producers of sugar, but common interests with those business actors who processed sugar. The latter actors had to pay high prices for the sugar they purchased for processing, and they also had to pay high taxes to the government. Apparently, the government was interested in keeping the Act for receiving the taxes and maintaining the domestic sugar production. In 1974 the Sugar Act was up for renewal. Then a strong alliance had been developed between the consumer interests and the business interests of sugar refiners and export-import firms. Due to the pressure from this alliance the Act was defeated. As pointed out by Vogel and Nadel [20, p. 18]: "It was not simply a case of consumer pressure for lower prices prevailing--at least not directly. Rather, the consumer interest in lower prices prevailed when it coincided with extremely important industrial interests."

Common interests with government, and conflicting interests with business. If consumers have a positive relationship to government and a negative relationship to business, the adequate model seems to be cooperation between the consumer organization and governmental agencies. The major strategy for the consumer organization appears to be lobbying. Again, the idea is to build alliance with some actors against others. In this situation, governmental agencies would be the most realistic alliance partners. As pointed out by Milbrath [10, p. 8], lobbying may be broadly defined as "...the stimulation and transmission of a communication, by someone other than a citizen acting on his own behalf, directed to a governmental decision-maker with the hope of influencing his decision."

In general, the aim of consumer lobbying is to influence governmental agencies by convincing them of what is the most adequate and efficient policy for controlling business and protecting consumers.

Lobbying seems to be a frequently used strategy for consumer policy in the United States, especially by Ralph Nader and other new activists in the consumer movement [12].

Conflicting interests in relation to both business and government. For Nader and others of these activists, however, lobbying is only one among several strategies to be used. They do not always see the relations between consumers and government as being characterized by common interests. Sometimes they see conflicting interests in relation to both business and government. Government is considered to serve business more than consumers and the public [2]. With this constellation of interest relations, the consumers have to rely on their own forces. The basic model refers only to the consumer organization, which will have to develop countervailing power as a major strategy. Because of conflicting interests, neither business nor government is a likely alliance partner. However, in order to develop significant countervailing power, it may be important for the consumer organization to build alliances with other relatively powerless groups in society, such as labor organizations, environmental groups, etc. Mass media may also be utilized, to increase consumers' consciousness of their common interests, and to mobilize them for participation in collective action [7].

An example of this strategy is a boycott action against oil companies in Norway in 1985 [15]. In spite of the fact that Norway now is an oil producing nation, the Norwegian gasoline prices are among the highest in the world. Over the past years the prices also used to increase rapidly. Usually, all oil companies announced their price changes almost simultaneously, and their major arguments referred to increases in the oil prices and in the value of the American dollar. Whenever the oil prices or the dollar value went up, the gasoline prices were also increased. However, when the oil prices or the dollar value went down, nothing seemed to happen to the Norwegian gasoline prices. The consumers were interested in more reasonable prices, and more and more consumer protest was articulated. The government also expressed its concern about the price development. However, it did not seem to be able to change the situation. The Norwegian government at the time believed very much in competition as beneficial for consumers, and it appealed to the multinational oil corporations: "Please, let the competition work." It is evident, however, that some of the government interests involved in this issue were in conflict with the consumer interests. First, the Norwegian gasoline is heavily taxed, and the tax is calculated as a percentage of the price. Thus, price increases mean higher tax income for the government. Second, the government is itself a business actor in this sector. A state oil company is substantially involved in production and distribution of oil and oil products. Consequently, price increases also mean more profit for the government's oil business. The Norwegian Automobile Association, which represents the automobile consumers, tried different

strategies. Neither negotiation nor lobbying was efficient, due to the conflicting interests with business and government. Then, in the Spring of 1985, after the major oil companies had announced another substantial increase in the gasoline prices, the Automobile Association organized a boycott of all major oil companies and appealed to all car owners to purchase gasoline only from a relatively small and state owned company. The boycott was quite effective, and after some time the oil companies promised not to put into effect the price increase that had been announced. Moreover, since this boycott, the oil companies seem to have been more careful with price increases and more responsive to consumer protests.

#### When Consumers are Divided

The last four patterns of interest relations refer to conflicting, or different, interests among consumers. The lack of common interests means that it is difficult for consumers to develop organized, collective action. Typically, there is no consumer organization, and the consumer movement is weak.

Some of the constellations pointed out in the lower half of Figure 1 may seem somewhat paradoxical. Although different interests exist among consumers, some of the relationships between consumers and other actors may be characterized by common interests. The key idea in this connection is that other actors, such as business, or government, or both, are assumed to be able to identify, interpret, aggregate, and represent what they find to be the overall, or dominant, consumer interests. These other actors are assumed to do this on behalf of, or for, the consumers. For example, Nadel [12, p. 238] points out that, because of the diffusiveness of the consumer interest, it is ultimately the government that defines this interest.

Common interests with both business and government. When consumer interests are assumed to coincide with business interests as well as with government interests, it is legitimate for both business and government to act on behalf of consumers. Both actors are considered capable of advancing consumer interests. Cooperation between business organizations and governmental agencies is therefore identified as the basic model for consumer policy. The major strategy is a kind of paternalism, which, according to one dictionary [18, p. 909] may be defined as a "...practice of treating or governing people in a fatherly manner, especially by providing for their needs without giving them responsibility."

For example, in England business organizations and governmental agencies cooperate regularly and systematically on the development of so called Codes of Practice [17]. These codes are specific rules related to the Fair Trading Act of 1973. The codes regulate marketing activities regarding various groups of products. Thus, they are highly relevant for consumer interests, even though no common interests on these issues seem

to be articulated or expressed by consumers themselves.

Common interests with business, and conflicting interests with government. The next pattern reflects a positive relationship between consumers and business and a negative relationship between consumers and government. Business actors are assumed to understand and represent consumer interests. The basic model refers to business organizations, which may advance consumer interests by pursuing their own interests. The major strategy is self-regulation, initiated and implemented by socially responsible business actors.

The establishment of product standards is an example of one area in which self-regulation has become a common practice in many countries [14]. Business corporations and organizations develop their own standards and rules regarding a number of product characteristics, including safety, size, style, quality, and performance. It is obvious that strong consumer interests are involved in such standards, although these interests may differ among different consumer groups. Typically, the idea is that business and consumers overall have common interests in finding the right balance between the consumers' rights regarding product qualities, and their rights regarding variety and freedom to choose and consume. It is believed that more government regulation of product standards would lead to more restrictions with regard to product availability and consumer behavior as well. This is considered to be in conflict with consumers' overall and dominant interests.

Common interests with government, and conflicting interests with business. When consumers have a positive relationship to the government and a negative relationship to business, various governmental agencies are assumed to take the responsibility for advancing consumer interests. While such agencies represent the basic model for consumer policy, the major strategy is protection. This policy is described by Koopman [8] as basic protection. Special governmental agencies are established to protect consumers against business. It may also be assumed that consumers should be protected against detrimental consequences of their own behavior, and that weak consumers should be protected against strong consumers.

This protection policy includes a number of means, such as mass media communication, laws and rules, regulation efforts, and controlling agencies. Consumers may, for example, be warned against certain drugs or other products that might be dangerous to use, or it may be prohibited to sell, or to buy, such products. Such protective measures are important elements of the consumer policy in a large number of countries, including the United States [11].

In some countries, government protection is the major form of consumer policy. For example, in the Scandinavian countries, consumer protection seems to be an important element of the general

profile of the welfare state. In these countries the consumer policy is almost exclusively the government's responsibility. Thus, there is no such general consumer organization as the British Consumers' Association or the Dutch Consumentenbond.

Conflicting interests in relation to both business and government. The last pattern of interest relations pointed out in Figure 1 is characterized by fragmentation. All relevant relationships are dominated by conflicting interests. It is assumed that social relationships are determined by self-interests rather than common, or collective, interests. Each single actor is assumed to pursue his or her own self-interests. This is the typical idea about the market economy. Thus, with this constellation, the market mechanism is emphasized as the basic model and competition is indicated as the major strategy for consumer policy [16]. The assumption is that when everybody pursues the pure self-interest, the outcome will be good, not only for each individual actor, but also for society at large. Furthermore, it is assumed that when there is real competition among different actors, the consumers will be sovereign in the marketplace. Because of this consumer sovereignty, no special consumer protection is needed. The marketplace is assumed to offer sufficient alternatives, and the consumers are assumed to know how to select those products which best meet their needs.

In the past few years this idea of competition as a major strategy for consumer policy has been strengthened in many countries, including the Scandinavian countries. This increasing emphasis on market competition, at the expense of consumer protection, seems to be an important element in a more general political program of deregulation.

#### CONCLUSION

The purpose of this paper has been to suggest a multi-strategy perspective on consumer policy. The idea is that it may be adequate to develop different models and strategies for consumer policy, depending upon the specific patterns of interests involved in various issues and situations. Thus, a typology of consumer policy has been developed, based on a classification of eight different interest constellations.

In this paper the discussion of various models and strategies have been limited to a few examples from consumer policy in various countries. The discussion indicates that the typology represents a useful analytical framework for consumer policy studies. It is reasonable to assume that it might be especially useful as a framework for comparative, cross-cultural studies. A further evaluation and elaboration of the typology should therefore be based on more systematic empirical studies of consumer policy in different countries.

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ROUND TABLE ON IMPORTANT RESEARCH QUESTIONS  
IN THE CONSUMER INTEREST: OUR LIST

Members of the ACCI Research Committee<sup>1</sup>

ABSTRACT

What are the burning questions that cry out for resolution? What follows is a list of questions proposed by members of the ACCI Research Committee. Each member's nominations probably reflects the sessions that he/she chaired in last Summer's International Conference on Research in the Consumer Interest. Otherwise, the only claim they have for your attention is that each of the members of the Research Committee has, perforce, had to pay attention to the issue of the "important research questions"--first, in planning the Conference and, later, in editing the papers of the Conference. But you should be aware that these particular questions reflect the particular interests and concerns of each contributor.

QUESTIONS YET TO BE RESOLVED

E. Scott Maynes, Chair, ACCI Research Committee;  
Consumer Economist, Cornell University:

1. Efficiency in Consumer Purchases. To what extent do consumers purchase on or near the "perfect information frontier," i.e., to what extent do they succeed in purchasing their desired quality at or near the lowest possible price? How does this vary? Across groups of purchasers, across different products?
2. Calibration of Quality. What techniques can be devised to assure that different individual's quality judgments are recorded on identical scales? How can you be sure that the judgments of Consumers Union's testers have the same meaning for you as for them? For economists, a successful answer would provide valid interpersonal comparisons of utility. A successful answer would increase the precision of all surveys and questionnaires posing subjective questions.
3. A "Demonstration" Local Consumer Information System. Can anyone organize a local information system--providing complete quality and local price information for a large set of products--in such a way as to (1) demonstrate its feasibility, and (2) facilitate its replication elsewhere?

Monroe P. Friedman, Social Psychologist, Eastern Michigan University:

4. Training of Consumer Affairs Professionals. What can consumer research contribute to the development of guidelines for the academic preparation of consumer affairs professionals?
5. Consumer Research and Product Liability. How can consumer research improve our understanding of the current "crisis" in product liability? In particular, what can we learn about the roles of (1) consumer standards, and (2) consumer expectations that might reduce product liability disputes?
6. Consumer Research and Consumer Education. What can consumer research contribute to the development of standardized tests of the effectiveness of Consumer Education programs?

Jean Kinsey, Consumer Economist, University of Minnesota:

7. Services and Consumer Information/Protection. What types of consumer information and protection are needed for services as distinct from products? Do consumer "rights" have the same meaning for services as for products?
8. Documentation of Non-Use Benefits of Product-Testing. To what extent does the dissemination of product test and other consumer information have "non-use" effects, i.e., change the behavior of manufacturers and sellers rather than consumer users of the information?
9. Effectiveness of Consumer Representation. How effective is "consumer representation"? What can be done to make it more effective?

Carole J. Makela, Home Economist, Colorado State University:

10. What Is "Consumer Education"? What is the essential scope and content of consumer education for various grade levels and/or target groups?
11. Ascertaining the Benefits of Consumer Education. What are the benefits of consumer education. Does it make a difference? How can the benefits be assessed? What evidence will be persuasive?

<sup>1</sup>E. Scott Maynes, Chair; Monroe P. Friedman, Jean Kinsey, Carole J. Makela, Nancy M. Rudd, Roger M. Swagler, and William L. Wilkie.

12. What Partners Represent the Most Effective Agents? What partnerships--business, cooperative extension, educational institutions, government, consumer organizations--are likely to yield consumer education of the highest quality and greatest impact?

Nancy M. Rudd, Family Economist, Ohio State University:

13. Focus on Truly Dangerous Products. How can we generate more interest in "truly dangerous" products such as cigarettes and firearms instead of dissipating resources on less dangerous products, e.g., artificial sweeteners?
14. "Inappropriate" Products in the Third World. What are the appropriate mechanisms for protecting Third World consumers from the risks of inappropriate imported technologies without overly sacrificing the benefits of international trade?
15. The Enhancement of Consumer Search. What can we do to increase consumers' willingness to seek and use information in purchases? What is the appropriate tradeoff between more search and enhanced information processing?

Roger M. Swagler, Consumer Economist, University of Georgia:

16. The Assessment of Product Quality. By what means does one establish an appropriate relationship between the various levels of product characteristics in a variety and the overall level of quality in that variety?
17. Consumer Behavior and the Implementation of Safety Standards. In what ways are safety standards subverted by avoidance behavior on the part of consumers?
18. The Integration of "Family Economics" and "Consumer Economics". Family Economics usually denotes the optimal utilization of family resources outside the market while Consumer Economics deals with the actions of families (or individuals and households) in seeking to maximize satisfaction in their dealings in markets. The question: what steps can we take to integrate Family Economics and Consumer Economics?

William L. Wilkie, Consumer Behaviorist, University of Florida:

19. Market Research and the Consumer Interest. In what ways and to what extent are market research and the activities of marketers in or not in the consumer interest? (Although the Conference addressed this question, Wilkie feels that it needs further exploration.)

20. The Effectiveness of Regulation Vs. Deregulation. Wilkie calls for detailed, "unbiased," descriptive evaluations of the experience of the past ten years and for surveys of consumers, "experts," and "key constituents" to help in this assessment.

21. The Meaning and Boundaries of the "Consumer Interests": An issue that requires further discussion and analysis.



#### ABSTRACT

This poster presentation describes an Extension educational program to help consumers avoid cons and swindles. The program, covering the essentials of consumer information and protective legislation, can be taught by volunteers to both adult and youth audiences.

#### NEED FOR THE PROGRAM

The old time medicine men who sold magic cure alls and pain killers have all but disappeared from today's market place, but false hope is still for sale from unscrupulous salespeople who take advantage of the unwary consumer. These schemers base their promises on universal human desires...to be healthy, wealthy, loved, and secure--or on the idea that consumers can "beat the system" just this once, and get something for nothing or a lot for a little.

Consumers are particularly vulnerable to frauds and deceptions during periods of economic adversity, such as those prevalent in many states at the present time. The elderly, young adults, inexperienced persons such as displaced farmers and the newly widowed, and low income families are common targets of con games, swindles, and other types of consumer frauds.

#### OBJECTIVES

The objectives of the program are to help consumers recognize common cons, schemes, and swindles; avoid becoming victims of deception at home and in the marketplace; identify laws and agencies which provide consumer assistance and protection; and register complaints effectively.

#### METHODS AND AUDIENCES

The primary audiences for this program are members of Extension homemaker, senior citizen, and other organizations; 4-H and other youth groups, and the general public.

The program content, publications and teaching guide were developed by the state Extension specialist. Training was provided to county Extension home economics agents, who in turn trained volunteer leaders. Teaching methods used a "back to basics" format, designed to facilitate teaching to small groups by volunteers.

Audience involvement activities to enhance learning and application to individual situations are provided. An original skit, "The Roar of the Jungle," is an entertaining feature which illustrates key points of the lesson.

#### LESSONS AND PUBLICATIONS

The three lessons in the series are:

"Avoiding Common Cons", emphasizing the prevalence of old con games in new guises and new schemes involving bank and credit card use;

"Money Making Schemes: How to Avoid Them", describing pyramid sales plans and other schemes preying on those who want to work at home to supplement their incomes or train for better jobs.

"Handling Consumer Complaints", focusing on methods of redress for both legitimate consumer complaints and victims of deceptions or frauds.

#### RESULTS

To date, the program has been given to a total audience of approximately 1,600 people. Specific areas of knowledge gained, as indicated by 200 participants in 35 counties were:

- what to do when you have a problem or complaint (66%)
- reasons why consumers become victims (56%)
- help in recognizing consumer frauds (56%)
- resource materials available (52%)
- answers to questions (36%)

Almost all (93%) planned to teach some of the information they had learned to club members, their families, or other individuals. Several commented on the benefits of reinforcing the need to make others aware of practices.

The program materials are readily adaptable for other uses. They support 4-H and Youth projects, judging activities, consumer bowls, and school enrichment programs. Since many consumer issues and public policy implications are also identified, they supplement other consumer decision making and policy education programs.

The leader's guide and publications are available from the author.

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Anne L. Sweaney and Carol B. Meeks, The University of Georgia<sup>1</sup>

Abstract

A housing tour course titled "Housing in New Towns and Planned Communities in Georgia" was developed to address the various aspects of planning for growth. Upper level undergraduate and graduate students in Housing and Consumer Economics (many of whom will be leaders in their communities) enrolled in the course offered by the Department of Housing, Home Management and Consumer Economics in the College of Home Economics at the University of Georgia.

The class toured Savannah, Georgia, the first planned community, as well as planned developments surrounding the Atlanta metropolitan area. Planned communities ranging from 1,400 to 3,400 acres in various stages of development were visited. Peachtree City, with 15,000 acres classified as a new town, was included in the tour.

CLASS DESCRIPTION AND FORMAT

The class, "Housing in New Towns and Planned Communities in Georgia," was offered as a 10 day intensive experience; students were immersed in the topic. This allowed for total involvement and concentration of the participants. This course focused on an indepth study of housing found in planned developments in the state of Georgia. Studying the past, present and future of new towns and planned communities the students had the opportunity to review literature, hear from experts in the field and actually visit developments.

The major objectives of the course were as follows:

1. Determine what is involved in providing quality, affordable living environments for families and individuals in the future.
2. Examine and evaluate population trends and demographic projections for Georgia and analyze the housing and quality of life requirements to be included in planning.
3. Analyze the feasibility and dimensions of planned developments.
4. Evaluate the features and benefits of planning for growth and the provision of affordable housing.

<sup>1</sup> Assistant and Associate Professor respectively, Housing, Home Management & Consumer Economics, College of Home Economics

Course Requirements

The text for the course was compiled by the instructors and was a collection of pertinent readings relating to the specific topics of the course [1]. The major topics included were: General Information about New Towns, International New Towns, United States New Towns, New Town Alternatives and Satisfaction.

A final project was designed to integrate all aspects of the course and give the students an opportunity to apply what they had learned to a specific situation. The instructors developed hypothetical situations usually involving the student's area of residence.

Examples of the kinds of problems students examined were:

1. The impact that a growing retirement population has on an area and how that varies by income and level of services.
2. Need to attract industry to an area.
3. Growth of a college.
4. The addition of a medical complex in a remote area.
5. The feasibility of establishing a recreational theme park in an attractive but very rural area.

The class toured Savannah, Georgia, the first planned community, as well as planned developments surrounding the Atlanta metropolitan area. Planned communities ranging from 1,400 to 3,400 acres in various stages of development were visited. Peachtree City, with 15,000 acres classified as a new town, was included in the tour.

Summary

This course enabled students to see the role that they could play in the development of the quality of life in their local area as well as within their state of residence. The skills and experience obtained in collecting data, participating, and vocalizing their views on what a good environment for families with children and for individuals within a community should look like are transferable to any community in which they might live. The techniques used in this course are adaptable to working with other students, professionals, or community leaders.

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## CONSUMER EDUCATION THROUGH ACTIVE LEARNING

M. Barbara Killen, University of Minnesota

### ABSTRACT

Active learning! Your students can remember more, develop useful behaviors, and participate in activities which capture and sustain their interest. The goal of my consumer decision-making classes for students in lower-division University classes and adult community programs is to get them to learn and to practice responsible, informed, and assertive behavior as consumers.

Active learning helps students learn what to look for and what to look out for. They do exercises, practice making simulated purchases, analyze written and oral materials and get exposure to community agencies and resource persons. In my course, students work on a project in a personal consumer decision by which they demonstrate that they can put all the facts together and reach a sound conclusion about making or not making some purchase of their choice. Such active learning provides alternative pedagogy that replaces or supplements classroom lectures.

Students are encouraged to discover that consumer decision making is a game that can be won. They learn to identify their values and goals in order to achieve the best quality of life from their talents and incomes. Consumer finance decisions are more often group decisions than individual decisions. Budgeting, housing, food, clothing and investment often involve negotiated solutions which recognize different values and preferences of family members. Team efforts in coursework are an opportunity to model use of individual skills, information and negotiation in a dyad or triad.

Active learning gets the students' attention. Active learning personalizes inherently interesting material. Students remain awake. They practice the process of decision making and learn to ask the right questions. Active learning forces the modeling of appropriate data-gathering behaviors and analytical techniques. Group or team activity supports the necessary level of effort.

Ask yourself what knowledge, attitudes, and skills you are trying to teach. Identify important consumer resources. In the classroom start with ice breakers which encourage a relaxed attitude. Use self-discovery exercises first. To teach analysis, have the students do an analysis rather than telling them about doing an analysis.

Active learning is a tool for involving students in the educational process. We can prepare students to follow the process developed by their experiences in active learning so as

to make sound consumer decisions; the process can be enduringly useful to them. The process consists of five steps: define the problem, select information, evaluate the information, choose, analyze the choice.

In my classes students are introduced to Consumers Reports, Money Magazine, Changing Times, and the FDA Consumer through the requirement that they report on an article related to the Unit Topic for the week. A report format provided in the study packet helps standardize the assignments for inclusion of important elements and for ease of grading.

Each week, an outside authority is invited to describe the services of the agency s/he represents. A member of the district attorney's staff discusses white-collar crime, civil and criminal legal actions, small claims court and when and how the office can help a consumer. A speaker from Consumer Credit Counseling describes the patterns which lead to debt problems. By using real experiences, the speaker will give many of the students a clearer idea of what constitutes a safe debt load. Students are given a form for summarizing speakers remarks. That form focusses student attention on the major points made by the speaker; hence its use involves the student in active listening.

Examples of active learning exercises, the format for periodical report paragraphs, and the speaker summary sheets are available on request from the author.

Assessment of student learning is partly based on points assigned for the speaker summaries, unit topic paragraphs, bi-weekly quizzes, and exercises. Finally students undertake a project in consumer decision making. They write a formal 10 to 15 page paper describing the project; ideally the paper will demonstrate student achievement of the course objectives.

What are the demands on the instructor? Initially the added work is considerable. Most of us are very comfortable and experienced in the lecture format. After the initial efforts, I have found more excitement and more close attention to the mini lectures (10-15 minutes) which I occasionally use to describe the theory into which the active learning fits.

### CONCLUSION

The active-learning approach promotes achievement by the students of higher order skills such as independent reasoning, problem solving, and critical assessment. Active learning has been shown in some studies to foster student retention and encourage a more positive attitude toward school.



## CORPORATE RESPONSE TO CONSUMER COMPLAINTS

Eloise J. McKitric, Bowling Green State<sup>1</sup> University  
Sara Jo Victors, Kraft, Inc.<sup>2</sup>

### ABSTRACT

The purpose of this research was to (1) assess consumer perception of satisfaction, (2) develop a consumer profile, (3) identify services consumers demand, and (4) determine if brand loyalty continues following complaint registration. A representative sample was drawn and questionnaires were sent in the spring of 1986. Findings from the 1,394 participants suggested that even though consumers registered complaints, they tended to be satisfied with the resolution of their problems and continued to remain brand loyal.

Do businesses really mean . . . "satisfaction guaranteed of your money back?" Consumers often wonder about the willingness of the seller-maker to stand behind this statement. However, the only way they can test the validity of this claim is when a product or service fails to meet their expectations.

Generally speaking, consumer complaints are usually the symptoms of buyer-seller-maker transactions that have gone wrong. The resolution requires time and energy on the part of all persons involved. The problem arises when these situations are plagued with anxiety, conflict, and irrational behavior on the part of the consumer. In addition, the seller-maker may be overly defensive and appear to be insensitive to the consumer's need for resolution.

The literature suggests that there are certain types of consumers who complain. In addition, dissatisfaction does not necessarily result in changes and buyer behavior (2).

To this end, the Consumer Service Department of Kraft, Inc. initiated the study to assess the perception of satisfaction consumers received in response to their inquiries or complaints. Second, to develop a consumer profile by determining frequency of complaint behavior, not only in regards to Kraft products, but other producers-sellers. Third, to identify the types of services consumers want producers to supply. Fourth, to determine if continued brand loyalty was related to past dissatisfaction.

### METHODS

During the spring of 1986, 2,020 questionnaires were sent to a representative sample of consumers who had either initiated complaints or had inquiries about Kraft products or services.

Questionnaires were mailed two weeks following the initial response letter to the consumers inquiry/complaint. Useful data were collected from 1,394 consumers, a 69% return.

### FINDINGS

The results indicated that the majority of the consumers who write have 11 or more years of education, they are infrequent complainers to Kraft or any other company. Even when they complain, they continue using Kraft products. However, of the 1,394 consumers who completed the questionnaire, about one-half of 1% discontinued use of Kraft products.

When asked whether or not the responses they received from Kraft answered their questions, 78% had a positive response. In addition, 88% felt the responses were timely. An overwhelming majority, 92% believe Kraft to be a friendly, caring company. Of those who requested and received education/information materials, the majority thought the materials were both appropriate and effective for their identified needs.

When consumers were asked for suggestions for improving Kraft's consumer services, they made some of the following suggestions: distribute more materials on food content and nutritional value; put the Consumer Service Department address with promotional ads; install an 800 number for all Kraft products; make more recipes and cookbooks available.

Kraft prides itself on its reputation on standing behind their motto . . . "satisfaction guaranteed or your money back." Consumer satisfaction is the reputation it is built on and continues to embrace. The corporation welcomes consumer complaints, compliments, and suggestions. Similar to the findings in the study conducted by the TARP Institute (1) this study found that the majority of the complainants received the satisfaction they were seeking and continued consuming Kraft products.

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<sup>1</sup>Professor of Home Economics  
<sup>2</sup>Manager, Consumer Service Department

## PREDICTORS OF SEARCH TIME FOR MATTRESS PURCHASE

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### ABSTRACT

The study identified predictors of the amount of search conducted by 391 mattress purchasers who responded to mailed questionnaires. The mean search time was 4 hours and 31 minutes. The most important predictors of search time were behavioral factors: the number of stores shopped, a value-for-money decision making style, and price, paid.

Consumers face a number of challenges in selecting mattresses which best meet their needs. The interior construction cannot be viewed and evaluated unless the store provides cutaway models. Even when shoppers view the model, do they have sufficient knowledge to evaluate the quality of component materials, the degree of softness or firmness, and product durability?

Mattresses are a relatively high priced and long lasting product, so the risk of a poor choice is larger. It was, therefore, expected that difficulties in assessing quality, the potential for price variation, differences in personal preferences, and the amount of money being spent would motivate consumers to seek information that would help them to evaluate market offerings and make an effective purchase decision.

### METHODS

The sample was obtained from sales invoices of five cooperating retailers in the Salt Lake City area. The three most frequently purchased types of mattresses--innerspring, foam, and water--were represented, in proportion to their U.S. sales. Data were collected by mailed questionnaire using a modified Dillman procedure. Response rate was 51 percent and the sample size was 391.

Predictor variables were of three types: human resource measures, consumer attitudes and behavior, and information measures. The dependent variable, search time, was the sum of (1) time spent in stores looking at mattresses, talking with sales people, and travel to stores and (2) time spent locating and reading information about mattresses and talking with friends and experts about mattress purchase.

Since search time did not yield a linear model, the  $\log_{10}$  form of the variable was used. Preliminary analysis led to the deletion of a number of variables which were not significant at the  $P=.05$  level. A final multiple regression equation was computed with simultaneous entry of predictor variables.

### FINDINGS

Among human resource variables, age was significant. Those 25 to 29 searched more. Post-High school education was not significant. Among the consumer attitude and behavior measures, the strongest predictor of search time was the number of stores shopped. As the number of stores shopped increased, search time increased. The second best predictor of search time was the respondent's score on a value-for-money decision making style. Another behavioral factor, mattress purchase price, was significant. Those paying more than \$300 spent more time shopping.

Among information variables, those who reported reading the mattress warranty spent more time in search. Perhaps they were more careful shoppers. The respondent's evaluation of the usefulness of advertising was inversely related to search time. Those who felt advertising was moderately useful spent the largest amount of time on information search. Respondents who placed a moderate level of importance on point-of-purchase information, in the form of prices on products and label and sign information, also spent more time on information search.

### CONCLUSIONS

This study divided younger less experienced shoppers into two significantly different groups, those under 25 and those 25 to 29. Those under 25 reported search time similar to their age 30 and older counterparts, while those 25 to 29 searched more. It appears that it is not inexperience alone which increases shopping time, since the two groups would be similarly inexperienced, but inexperience in combination with other characteristics of the 25 to 29 year olds. Perhaps the economic constraints of establishing or expanding a household are involved.

Other significant predictors of search appear to be quite logical. Greater search time is related to shopping more stores, purchasing a higher priced product, carefully shopping for the best buy and using more information.

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## MEDICARE SUPPLEMENT HEALTH INSURANCE: A BUYERS' MARKET?

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### ABSTRACT

Consumers' knowledge of Medicare, health insurance products, and regulations governing the sale of Medicare supplement health insurance policies was identified. Multivariate analysis was used to examine purchasers of four policies: two Medicare supplement policies, one hospital indemnity policy and a dread disease policy. Only 8.3% of respondents received a "passing" score of 70% on the knowledge portion of the questionnaire. Demographic and socioeconomic characteristics did not predict purchase of a particular policy.

### INTRODUCTION

In the early 1980s many state insurance commissions focused their attention on the development and sale of Medicare supplement health insurance policies for the elderly. In 1981 a Wisconsin-based insurance company, with a large number of elderly Medicare supplement and other health insurance policyholders, declared bankruptcy. A study of 960 elderly consumers of health related insurance policies from this company was conducted.<sup>3</sup>

The purpose of the study was to assess the knowledge of the policyholders regarding Medicare, Medicare supplement policies, and Wisconsin regulation governing the sale of such policies to consumers over age 65. In addition, the researcher attempted to analyze the factors influencing a consumer's decision to buy a particular policy.

### PROCEDURES

A sample was taken from a list of 1981 purchasers of one or more of two Medicare supplement, one hospital indemnity and a cancer policy offered for sale by the company. Due to cost constraints, eighty percent of this group, or 960 respondents were surveyed by mail. Three hundred and two responses were used for the final analysis.

The sample was sent a 59 item survey. This paper focused on a 17 item true/false "quiz" containing questions about Medicare, Medicare supplement health insurance and regulations governing the sale of such policies. In addition, data about respondents' age, sex, education, income, occupation before retirement, asset levels, residence, and selected financial management behaviors were obtained.

The knowledge questions were analyzed using frequencies of right and wrong answers and crosstabulating responses with certain socioeconomic variables as well as with the type of policy purchased from the company. Dummy variable multiple regression analysis was used to determine which socioeconomic or financial management behaviors predict which policy the respondent had purchased.

### RESULTS AND IMPLICATIONS

Although respondents overall performed poorly on the knowledge portion of the questionnaire, those who received formal education beyond high school and lived in the suburbs answered more questions correctly. In addition, those who had read the booklet, "Health Insurance for Senior Citizens", distributed by agents at the time of purchase, and understood the booklet received higher "scores" on the knowledge questions.

Four distinct regressions were applied to the data, with one of four relevant policies (Medicare Supplement 4-B, Medicare Supplement 3, Hospital Indemnity, and Cancer) serving as the dependent variables. Although overall predictive value of the models was low (highest  $R^2$  of .155) some factors appeared significantly more or less likely to predict purchase of a particular policy. Formal level of education received, especially high school and college level, appeared to aid in predicting which policies a consumer might choose to purchase. Certain occupational groups (physical or manufacturing, farm operators and managers or professionals) seemed to be stronger predictors of policy purchased than others. Last, residence appeared to aid in predicting the purchase of the Medicare Supplement #3 policy.

Because elderly consumers know little about public and private health insurance and all elderly health insurance purchasers appear susceptible to making poor decisions, elderly consumers need more effective educational programs. It may also be unwise to have the elderly use vouchers to purchase private insurance as an alternative to Medicare.

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<sup>3</sup>Paid for by the Wisconsin Office of the Commissioner of Insurance. Views do not necessarily represent those of the state or office.



**THE IMPACT OF THE EMPLOYMENT OF THE WIFE ON  
THE ACHIEVEMENT OF HOME OWNERSHIP**

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ABSTRACT

Of the three wife's employment variables tested for a subsample from the Panel Study of Income Dynamics, only the number of hours worked was a significant predictor of the probability of changing from rental tenure to ownership.

Several authors have investigated the relationship between the employment of the wife and various aspects of housing (Griffin-Wulff, 1982; Ihlanfeldt, 1980; Roistacher and Young, 1979). The purpose of this paper is to assess the impact of the income, wage rate, and hours worked of female spouses in couple households on the change from rental to home owner status.

The sample is a subsample from the Panel Study of Income Dynamics. It is composed of 367 husband and wife families who had the same household head from 1979 to 1983, who had a wife who was between the ages of 18 to 65 in 1979, and who rented their dwelling in 1979.

**FINDINGS**

Forty-four percent (162) of the renters in 1979 became home owners between 1979 and 1983. Of those families that had a change in both statuses between 1979 and 1983, the largest family type was that in which the wife became employed after the family became a home owner.

Table 1 indicates the logistic regression analysis for the model which includes the number of hours worked as the indicator of wife's employment. Of the three models tested, only the number of hours worked was a significant predictor of changing from rental tenure to ownership.

Age of the wife, education of the wife, family size, and residing in the Northeast were significant predictors of change in tenure status between 1979 and 1983. Those families who had young wives, wives with high levels of education, and few members were more likely to change from rental status to ownership.

<sup>1</sup>Sharon M. Danes is an Assistant Professor in the Department of Family Social Science and Mary Winter is Professor in the Department of Family Environment.

Table 1. Logistic Regression Analysis of Change in Tenure Status on the Wife's Hours Worked, Change in Wife's Hours Worked and the Sociodemographic Characteristics (Model I)

Step 1			
	Coeffi- ient	Standard Error	Chi- Square
1978 Wife's Hours Worked	.00039	.00014	7.66*
Change in Wife's Hours Worked	.00034	.00014	5.53*
Constant	.75	df	399
Maximum Likelihood Ratio	380.13	p	.74
Step 2			
	Coeffi- ient	Standard Error	Chi- Square
1978 Wife's Hours Worked	.00037	.00016	5.42*
Change in Wife's Hours Worked	.00031	.00016	3.69*
Size of City	-.04347	.07733	.32
1978 Family Income Minus Wife's Income	.00002	.00001	3.13
Change in Family Income Minus Wife's Income	.00002	.00001	2.11
Wife's Age	-.04894	.01135	18.59*

**CONCLUSIONS**

The findings of the study indicate that the majority of households are "anticipators" in that the wife enters the labor force prior to the purchase of a dwelling. However, what is important in the decision of changing from rental status to owner status is the number of hours the wife works outside the home. The study provides evidence that families do include factors related to the wife's employment in home ownership decisions since the passage of the Equal Credit Opportunity Act.

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FAMILY CONSPICUOUS CONSUMPTION AND ITS  
DETERMINANTS

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ABSTRACT

Conspicuous consumption, defined as the enjoyment of certain goods and services that enhances a person's prestige, is found to be determined in large part by family income. The beginning stage of the family life cycle is the single most powerful predictor of whether or not families consume conspicuously. Attitudinal and perceptual variables do not contribute much to the explained variance in conspicuous consumption nor do they affect families' consumption of such goods and services.

In a post-industrial country, like the United States, it may be argued that an increasing number of people are no longer concerned about the basic necessities but are interested, instead, in consumption that would raise their status in the community. The purpose of this paper is to ascertain the sociodemographic and attitudinal variables that affect conspicuous consumption and to assess the relative importance of these variables.

Data for this study are taken from The Survey of Consumption and Expenditures Among Households in the Fargo-Moorhead Area conducted in summer 1983. Four hundred households in low, middle and high-income areas of Fargo, North Dakota and Moorhead, Minnesota were drawn through a stratified random sampling technique. Of the 400 questionnaires distributed, 212 (51 percent) were returned. For this study on conspicuous consumption, eligibility for the sample was limited to 151 intact husband-wife families.

As used in this study the dependent variable, conspicuous consumption, is an index composed of 43 goods and services which had to exceed a minimum price level and had to be one whose consumption may be perceived to be conspicuous. While the cost cutoff points are arbitrary, they were arrived at after consulting people of various backgrounds so as to remove as much bias as possible.

The independent variables used are socio-demographic variables as well as perceptual and attitudinal variables. The socio-demographic variables were chosen because of their precedence in previous consumption studies. These include household size, family income, family savings, family debt, husband's age, wife's age, wife's employment status, and stage of family life cycle.

It was hypothesized that family income, savings, husband's education, wife's education, husband's

age, wife's age, working wife status, early marriage stage, and retired stage would be positively related to conspicuous consumption. Household size, family debt, non-working wife status, beginning family stage, and middle family stage were hypothesized to negatively influence family's conspicuous consumption.

The following attitudinal and perceptual variables were hypothesized to be positively related to conspicuous consumption: perception of whether family income has kept up with prices, household's preference for their consumption level, their satisfaction with current income, their satisfaction with current savings, the importance of their standard of living, family's financial situation today compared to two years ago, family's financial situation today compared to five years ago, and family's financial situation today compared to ten years ago.

Step-wise multiple regression with forward and backward elimination was used to determine the contribution of the sociodemographic and attitudinal variables to explained variance in conspicuous consumption.

The total amount of variation ( $R^2$ ) in conspicuous consumption explained by the model is 46 percent. The independent variables in the regression equation include income, household size, husband's education, wife's education, savings, beginning family stage, financial situation of their family compared to two years ago, and financial situation of their family compared to five years ago. This is consistent with the underlying assumption that families with higher income would have more discretionary income available with which to purchase larger quantities of conspicuous goods and services. Husband's education and household size explained an additional six percent and four percent respectively. It is quite likely that households with better-educated husbands have higher incomes and are able to acquire more goods and services.

The variable, beginning family stage has the most impact on conspicuous consumption ( $B = -.48$ ). As was hypothesized, being in this beginning stage of the family life cycle tended to decrease families' consumption of conspicuous goods and services. Although not statistically significant, a perceptual variable that makes a substantial contribution to conspicuous consumption is family's financial situation today compared to two years ago ( $B = .39$ ). Other variables that have an important and statistically significant effect on conspicuous consumption are household size ( $B = .27$ ), wife's education ( $B = .23$ ), family's financial situation today compared to ten years ago ( $B = -.22$ ), and family savings ( $B = .21$ ).

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CONSUMER INTEREST BY OREGON STATE UNIVERSITY STUDENTS  
IN NUTRITION INFORMATION ON FOOD LABELS

Sabine Schoechle and Geraldine Olson, Oregon State University

Based on extensive research between 1970 and 1982 it can be concluded that consumers use information on food labels but are not completely satisfied with the current food label regulation established in 1973. Today's consumers are interested in knowing about specific nutrients that are considered detrimental to their health. However, mandatory nutrient labeling omits those of high interest such as sodium and cholesterol and applies to only 40 percent of all food products.

Students were surveyed to determine their interest in and use of nutrition information on food labels, since these behaviors may ultimately be related to better food purchase decisions. The student characteristics studied also give some important clues to what educators and others can do to heighten awareness and use of nutrition information.

The overall level of involvement of Oregon State University students, ranging from awareness to advocacy for nutrition information, was examined. Objectives were to compare advocacy for nutrition information (involvement score) with selected student characteristics (independent variables), to determine the importance of specific nutrition information items on food labels, to obtain an importance rank order for the nutrients, and to determine the sources for nutrition information which students use and would like to use.

A 27 question survey was completed by 440 Oregon State University students during February 1986. Classes were chosen according to the mix of class ranks and college majors, in order to obtain a representative sample. Classes were sampled only once with no repetitions, assuming that those students who were absent did not differ from those in class on the given day.

Six null hypotheses with sub-parts were developed for the purpose of this study and tested with  $p < .05$  level of significance. One-way analysis of variance, Pearson's product moment correlation coefficient, Wilcoxon signed rank tests,  $t$ -tests, Spearman's rank correlation coefficients, chi square tests of independence and Kruskal-Wallis one-way analysis of variance were the statistical tests used, depending on the type of variable being analyzed.

Significant socio-demographic differences were found between advocates and non-advocates of nutrition information, as measured by the involvement scale. Degree of involvement with nutrition information was measured on an eight-factor scale that summed responses to the following: interest in having access to nutrition information, reported assessment of being informed

about day-to-day nutrition needs, interest in nutrition information, degree of seeking for nutrition information, use of nutrition information in the store for purchase decisions and/or at home for meal planning, preferred kinds of foods required to be labeled, and satisfaction with the amount of nutrition information required to be on the label. Female students, older students, students with higher class ranks, students majoring in a social science (rather than physical or hard science), students who had participated in nutrition classes either in high school or college, those who share a house or an apartment with others or live alone, those with health problems, those who live on a special diet, and students who take vitamins and/or minerals seem more likely to be involved in using nutrition information, and thus were judged to be stronger advocates for nutrition information.

The majority reported using nutrition label information. Almost 60 percent of the students wanted more information than is currently given, with approximately 88 percent of the students wanting more foods labeled than are presently required by law. Food care labeling, open date, nutrition information, and ingredient list were rated more important than other types of information provided on food labels. Students rated sugar, cholesterol, saturated fats, sodium, fiber and starch higher than other nutrients which are now required.

The three most important current information sources were reported to be the nutrition information label, family members or relatives, and magazines. The most preferred sources were nutrition information on food products, doctors, and retailers.

Nutrition educators, policy makers, food producers and retailers need to understand the nutrition information needs and desires of the students as future consumers as well as policy makers. These findings could contribute to the development of more effective nutrition information labels for food products. Replication of the research with additional audiences would contribute to a broader understanding of changing consumer demands for nutrition and food label information and lead to better nutrition education programs and policy goals.

Source of data: Sabine Schoechle. Consumer Interest by Oregon State University Students in Nutrition Information on Food Labels. Master's Thesis, Oregon State University, 1986. Available on Interlibrary Loan.