

THE ROOTS OF SUPPORT FOR CONSUMERISM

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This morning I would like to tell you about the study of the consumer movement that my colleagues and I have been working on at Penn State. Our study has been an attempt to explain the varying reactions of the American public to the consumer movement. We sought a better understanding of why some groups in the public are favorably disposed toward consumerism while others are indifferent or hostile and still others are completely unaware of consumerism.

The consumer movement has several different aspects that we could have examined: the state and local consumer organizations, the consumer-supported product testing organizations, and the Nader organizations. We found that the general public's low awareness of some of the local and state consumer organizations made them very hard to study. We chose instead to focus on Ralph Nader as a representative of the consumer movement and its most familiar figure. We used willingness to contribute to the Nader organization as a measure of support and involvement in consumerism. Our study was conducted in June of last year, this was just before or just at the beginning of actual solicitations by the Nader organization. We didn't know that Public Citizen Incorporated planned to solicit, but we thought from the way the group was behaving that they were about to do something like that, and guessed that they would be doing it shortly.

Sample and Collection of Data

We collected our data in phone interviews made throughout the state of Pennsylvania and ended up with 908 usable interviews, both from rural and urban areas. By design we ended up with a good many more females than males, but we did want to make sure that we had sufficient males in the sample to contrast the viewpoint of consumerism of the two sexes. We do feel that we got a good sample of the adult population of Pennsylvania. There are some problems in using phone interviews as a technique. We feel, however, that phone interviews offer some advantages, such as overcoming some of the problems involved in personal interviewing in inner-city areas.

I don't want to use up my allotted time on a detailed discussion of the theoretical underpinnings of the study, but I would like to note that we drew on the theory of diffusion of innovations as set forth by Rogers and others, and also on the theory of collective behavior developed by Neil Smelser. Those of you who are familiar with these writings will, I hope, be able to identify some of the concepts from these two approaches in our analysis. In our study we viewed the consumer movement, and specifically Ralph Nader, as a social innovation which the public might either accept or reject, and looked at some of the factors underlying acceptance or rejection of Nader and the Nader organization.

Categories Representing Degree of Support

As a first step in the analysis we constructed five categories according to individuals' willingness to support Nader. The first group were the unawares, people who had never heard of Nader at all. The second group, the uninformed, had heard of Nader but knew so little about him that they were unable to comment on his activities or evaluate them. A third group, the rejecters, were a good

Table 1 - Categories Representing Degree of Support

| | |
|-----------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <u>Unawares</u> - | individuals who had not heard of Ralph Nader. |
| <u>Uninformed</u> - | individuals who had heard of Ralph Nader but lacked sufficient information about what he stands for to respond to questions concerning (a) whether Nader "is against the free enterprise system" or "for the free enterprise system but would like to see it changed" and (b) whether or not Nader's activities are "going to cause too much government control". |
| <u>Rejecters</u> - | individuals who were aware of Nader and informed about what he stands for but who generally did not approve of him, his tactics, or feel that contributions to support him would be a good investment. They stated they would not contribute to him if he asked. |
| <u>Sympathizers</u> - | individuals who were aware of Nader and informed about what he stands for and generally approved of him, his tactics, and felt that contributions to support him would be a good investment. They were not, however willing to make a contribution because they felt they could not afford to or were still uncertain about supporting him. |
| <u>Supporters</u> - | individuals who were aware of Nader and informed about what he stands for. They approved of him, his tactics, and felt that contributions to support him would be a good investment. They stated that they would contribute to him if he asked. |

Table 2 - Demographic Characteristics

| | <u>Unawares</u> | <u>Uninformed</u> | <u>Rejecters</u> | <u>Sympathizers</u> | <u>Supporters</u> |
|--------------------------------------------|-----------------|-------------------|------------------|---------------------|-------------------|
| Percent of Total Sample | 18.9 | 27.4 | 16.4 | 21.0 | 16.2 |
| n | 172 | 249 | 149 | 191 | 147 |
| Income over \$10,000 - (%) | 18 | 33 | 58 | 50 | 57 |
| Education - 12 years or over - (%) | 49 | 74 | 82 | 85 | 83 |
| Sex - female - (%) | 84 | 80 | 54 | 73 | 67 |
| Age - (mean) | 49 | 47 | 47 | 44 | 45 |
| Live in city of 100,000 or over - (%) | 47 | 51 | 68 | 71 | 70 |
| Member of groups other than church (%) | 32 | 47 | 54 | 53 | 60 |
| Political orientation - "Liberal" - (%) | 12 | 16 | 24 | 37 | 47 |
| Subscribe to <u>Consumer Reports</u> | 4 | 5 | 13 | 13 | 16 |

deal better informed about Nader and did know enough about him to evaluate him, but did not evaluate his activities favorably. When asked if they would contribute to support the Nader activities, they said they would not support him with contributions. A fourth group, sympathizers, consisted of individuals who were well aware of Nader, and who evaluated him favorably in general, but weren't willing to go so far as to make a contribution to the Nader organization. Many of these people said they couldn't afford such contributions, while a few apparently were uncertain about going quite so far as to contribute to Nader. The final group, which is of particular interest, and which I'm going to talk about particularly this morning, is the supporters. These individuals were well aware of Nader, evaluated him favorably, were willing to contribute and to support his activities if he asked them. These five categories are defined more explicitly in Table 1.

You will note that in Table 2 the uninformed people were the most numerous group in the sample. This group included people who had heard of Nader but weren't really able to say anything about him the way of evaluation; they constituted 27% of the total sample. Another numerous group were sympathizers, people who had heard of Nader but weren't willing to go so far as to contribute to him, although they were favorably disposed toward him. A somewhat smaller group (16%) was the supporters, they evaluated Nader favorably and were willing to contribute to support his activities.

Relationship of Degree of Support to Demographic Characteristics

Information on beliefs, attitudes, behavior and on demographic characteristics were obtained for each respondent. The characteristics of the respondents in each of the five support categories then were determined. The variables presented here were, almost without exception, found significant in Chi-square tests at the one percent level, or better.

When we examine the differences among the five categories in income we can see that the percentage with incomes over \$10,000 differed a great deal by category (see Table 2). Although 57% or more of the supporters had incomes over \$10,000 only 18% of the unawares did. The supporters were, in general, above average in income and education (over half had incomes over \$10,000), were relatively young, and typically were residents of large or medium sized cities. They were particularly likely to characterize their political orientation as liberal - 47% characterized themselves as political liberals. The supporter category also had the highest proportion of Consumer Reports subscribers - 16% of the supporters were CU members.

The sympathizers were in many ways like the supporters, although somewhat lower in income. A somewhat smaller percent of the sympathizers characterized themselves as political liberals.

The rejecters, in turn, were similar to the supporters and sympathizers in many ways. This group, which was aware of Nader but refused to contribute to him, had relatively high incomes, were well-educated and were urban dwellers. One of the key differences among the supporters and sympathizers and the rejecters was that the rejecters were a good deal less likely to characterize themselves as political liberals. We also found out that the rejecters belonged to a good many social organizations, probably more on the average than either they sympathizers or supporters. From the rejecters' general characteristics we conclude that they probably are better integrated into the establishment than either the supporters or the sympathizers. They look like joiners who are well integrated into the community, and into community organizations.

The uninformed category, people that had heard about Nader but really didn't know much about him, had lower incomes, were somewhat lower in average education, and were less urban. They also were more likely to answer "don't know" to the question about their political orientation.

The unaware group, on the average, had the lowest incomes, less education, and were oldest and had the highest proportion of females. This group was less urban, and membership in social groups and social organizations was low. A great many answered "don't know" to the question on political orientation. We think that the characteristics of this group suggest that it is separated from the mainstream of society and doesn't know a whole lot about what is going on.

In general, the social and demographic characteristics divide the five categories into two groups. On the one hand were the supporters and the sympathizers, rejecters - people that were aware of Nader. On the other hand were the unaware and the uninformed people, who had either not heard of Nader or knew little about him. The people who were aware of Nader were, as you might expect, what marketing researchers call "up-scale," with higher incomes, and more education. Those that were less familiar with Nader typically were down-scale. The one thing that does differentiate the rejecters from the supporters and the sympathizers is their political orientation, and the fact that the supporters and the sympathizers are somewhat younger.

I have divided the rest of this paper into three main parts. First, I will look at the differences among the five categories in their consumer concerns, next I will look at some of the differences among the five categories in their views of the channels for consumer redress, and finally I will look at differences among the categories in their views of Nader and other instruments of consumer reform.

Expressions of Consumer Concern

We looked at consumer concerns of each of the five categories for clues about their basic motivations and their evaluation of consumerism. Although there have been a great many conjectures about what strains and concerns underlie consumerism, there seems to be little empirical work to support most of them. There are, of course, a variety of strains of consumer concerns that could be related to consumerism. Examples include economic strains (concern about the effect of rising prices on ones personal financial situation), concern about product safety and reliability, concern about the difficulty of obtaining product information, and the concern about the relative economic power of consumers and business. I was particularly interested in assessing the role of economic strain because looking back historically we do see some relationship between periods of purchasing power decline and the advent of consumer unrest.

We asked several different questions about the financial situation of the individual family. When we asked people to characterize their present financial situation, we found that the supporters, sympathizers, rejecters differed very little in their reports of their financial situations. (see Table 3). About half of each of these three categories said that they were either in a "very good" financial situation or a "good" situation, while the other half said their situation was "fair" or "poor". The rejecters didn't seem to differ in economic strain from people who supported Nader. The situation of the groups that were aware of Nader was a great deal better than those who were unaware of him. The lack of difference between the situations of the rejecters and the supporters suggests that economic strain may not have any very clear role in explaining support for the consumer movement. We are going to have to do some more work on this, but we clearly didn't quite get what we had hypothesized.

We also asked the respondents about their concern about product safety and reliability. The sympathizers and supporters indicated the highest level of concern about safety and reliability. To assess product information as a concern, we asked the respondents how strongly they felt that more product information should be provided on more expensive items. The supporters most strongly felt the need for more product information. To tap concerns about the relative economic power of consumers and business, we asked the respondents how concerned they were that laws and regulations favored business at the expense of the consumer. We found again that the supporters were the group that were the most concerned about relative economic power, followed by the sympathizers.

In general, these results suggest that the degree of support for consumerism is related to concern about safety and reliability, concerns about relative economic power and to concerns about product information. Safety and reliability are perhaps the most important of these. Economic strain, however, doesn't appear to have any very clear relationship to support for consumerism.

We might take a brief look at the low expressions of concern by some of the unawares and uninformed. We hypothesize that these low expressions of concern by these two groups which contain many low income people are more likely a result of apathy or fatalism than an evidence of a high degree of well-being.

Evaluations of the Effectiveness of Channels of Redress

We next looked at the evaluations of channels of redress open to consumers. Drawing on social movement theory, we would hypothesize that when channels of redress are open and function well, strains are reduced. On the other hand, when channels of redress are closed or don't function well, the pressures for social change build up. For this reason we particularly wanted to focus on what consumers thought of the effectiveness of some of the channels of redress that are available to them. We focused on a variety of channels: (1) business organizations like the Better Business Bureaus and the Chamber of Commerce, (2) direct contacts by consumers with retailers and manufacturers, (3) government officials and agencies and (4) consumer organizations. We asked the respondents to rate the effectiveness of these various channels as "very effective," "somewhat effective", or "not effective." Note in table 4 that the Business Bureaus and the Chambers of Commerce were considered fairly effective by most of the respondents. The supporters and the rejecters, interestingly enough, were the two most critical categories.

Writing to the manufacturer and talking to store managers were, in general, regarded as quite effective. Overall, they were rated as the most effective of the channels discussed. The view of the effectiveness of writing a public official varied. Supporters, interestingly enough had the least favorable view of the effectiveness of government agencies.

Legal pressure by consumer groups generally was not considered especially effective, but it is interesting to note that supporters were the people that were most likely to rate pressure by consumer groups as effective. Picketing by consumers groups was also not rated as very effective. Here again, supporters of Nader were more likely to regard picketing as effective than were any of the other categories.

We can make some general comments and observations on these evaluations of the channels of redress. The most conventional channels, the Better Business Bureau, the Chamber of Commerce, writing the manufacturer, and talking to the store manager

were all considered relatively effective. Writing to a public official generally was considered less effective and, as we noted, supporters tended to be especially critical of the effectiveness of this channel. Supporters also differed in that they viewed the activities of consumer groups as more effective than did the rest of the population.

As to actual complaint history (activity in pursuit of consumer rights) you can note from the table that the supporters and rejecters were the two groups that had been most active in pursuing their consumer rights, followed next by the sympathizers. This parallels some of the findings on appliance complaints, reported by Sam Himes, showing higher income people as more inclined to complain. The high level of complaint activity by the rejecters is of some interest. It adds to the picture of this group as one that knows its way around in the community and may not feel the need for outside help from the government or other organizations. We also got another dimension of this picture of rejectors as people who know their way around. We asked questions about awareness of the Fair Credit Reporting Act and the Truth in Lending Law. We found that rejecters were the group that were the most aware of these two pieces of legislation not the supporters or the sympathizers as one might perhaps have expected.

The low use of the channels of redress is a reason for concern particularly when we look at the unawares and the uninformed. It is really hard to believe that only 11% of a low income group like the unawares had never had a problem that merited writing a public official. Yet only 11% of the unawares had, in their entire lives, written to public officials about any kind of complaint or problem. This suggests a sort of deprivation for low income people that we may never have thought of before - a deprivation in the right and ability to complain.

Views on Nader and Other Instruments of Reform

In the third major part of this paper, I want to examine differences among the categories in their views of Nader and other instruments of reform. We could expect that those who have identified a set of consumer problems and who regard existing channels of redress as ineffective, might begin to develop some ideas about ways that reform could be achieved. A group like the supporters which perceives a set of problems, and is critical of channels of redress, would in social movement theory, be expected to begin to formulate ideas about particular measures which would alleviate these problems.

By definition, the supporters were the group which clearly perceived Nader as an instrument of reform and were willing to contribute to his cause. When asked about Nader's beliefs, they generally were convinced that he is for free enterprise but believes that changes are needed and that he is not against free enterprise (see Table 5). The rejecters, in turn, weren't quite so convinced that Nader is for free enterprise. (We might comment that, in general, relatively few people in the sample thought that Nader was against free enterprise. I think that repeated accusations of this kind by the business community is only going to hurt their credibility. The public apparently already has their mind made up on the subject - or at least many of them, the better educated do.) Most of the supporters also were convinced that Nader's program would not result in too much government control. Rejecters weren't so sure about this. They were split about half and half on whether or not Nader's program would or would not cause too much government control.

We also examined support for several current legislative proposals. We found that supporters were the most favorable of the five categories on such legislation as unit pricing, open dating, and truth in advertising. We also examined interest in the idea of a computerized product information system with vending terminals in shopping centers throughout the country, and idea that has been discussed within

Consumers Union and has been the subject of some legislative proposals. The supporters rated themselves as very likely to use this kind of information more frequently than did any of the other categories. The responses on all of these proposals suggest that more product information is desired by many population groups, but especially by the supporters and sympathizers. These two groups also presumably would favor more remedial action in the product safety area, an area in which Nader is particularly noted for his activities.

Some Conclusions

Looking over the whole analysis we get a picture of the supporters of Nader as a group which perceives some important consumer problems - product safety, and also, as relatively more critical of existing channels of consumer redress than the rest of the population, and as a group which believes that Nader and his organization and new legislation offer possibilities for reform.

We can ask ourselves about another group, the sympathizers. Are they potential recruits for the consumer movement? It does seem that they hold a great many opinions similar to those of the supporters. We could hypothesize that they hold a great many opinions similar to those of the supporters. We could hypothesize that if the consumer concerns of these sympathizers increase they may be impelled to action. There are, however, a couple of constraints we must bear in mind. Many sympathizers said they couldn't afford to contribute to Nader. They are, however, potential sources of support for consumer legislation, even if they are not able to contribute financially.

Let us also take a look at the rejecters, in summary. Rejecters were clearly less concerned about consumer problems than were the sympathizers or supporters. Apparently they feel that they can take care of themselves. There is some evidence that they are plugged into the establishment on a local basis. They may, however, be potential supporters of certain kinds of consumer legislation, particularly proposals like truth-in-advertising.

I think the consumer movement can take comfort from the number of supporters it has gathered. These supporters are a knowledgeable group with a high level of education, a well-off group, and one that has indicated that it is ready to support its beliefs with actual financial contributions. I think that as members of the consumer movement we also can take some comfort from the characteristics of the rejecters. They don't really seem actively opposed to consumerism or its goals. They favor many of the legislative proposals that have been offered by consumer spokesmen. They simply seem less concerned about consumer problems than those that support consumer action. We might perhaps characterize them as retarded but educable on some of these subjects. The rejecters do have a legitimate concern, I think, about the problem of consumer legislation resulting in too much big government. This is a concern that should be faced and dealt with developing new corrective proposals.

Overall, I think we can conclude that consumerism is alive and well and is even flourishing. And it can, I think, look forward to a long and useful life.

Table 3 - Consumer Concerns

| | <u>Unawares</u> | <u>Uninformed</u> | <u>Rejecters</u> | <u>Sympathizers</u> | <u>Supporters</u> |
|---------------------------------------------------------------------------------|-----------------|-------------------|------------------|---------------------|-------------------|
| Present financial situation - "fair" or "not too good" (%) | 70 | 62 | 49 | 51 | 50 |
| High concern about product safety and reliability - (%) | 36 | 47 | 50 | 62 | 67 |
| Felt strong need for more product information on expensive items - (%) | 27 | 37 | 38 | 41 | 48 |
| Concerned that laws and regulations favor business at expense of consumer - (%) | 19 | 25 | 35 | 40 | 46 |

Table 4 - Evaluation of Channels for Redress

| | <u>Unawares</u> | <u>Uninformed</u> | <u>Rejecters</u> | <u>Sympathizers</u> | <u>Supporters</u> |
|---------------------------------------------------------------------|-----------------|-------------------|------------------|---------------------|-------------------|
| Consider Better Business Bureau "Not effective" - (%) | 10 | 11 | 24 | 11 | 16 |
| Consider Chamber of Commerce "Not effective" - (%) | 16 | 20 | 36 | 21 | 33 |
| Consider writing to manufacturer "not effective" - (%) | 12 | 15 | 12 | 6 | 12 |
| Consider talking to store manager "not effective" - (%) | 8 | 8 | 9 | 7 | 10 |
| Consider writing to public official "not effective" - (%) | 27 | 40 | 44 | 39 | 52 |
| Consider legal pressure from consumer groups "very effective" - (%) | 21 | 29 | 31 | 31 | 44 |
| Consider picketing by consumer groups "very effective" - (%) | 11 | 8 | 11 | 16 | 18 |
| Have ever contacted a public official about a problem (%) | 11 | 21 | 30 | 27 | 38 |
| Have ever written a manufacturer - (%) | 19 | 32 | 60 | 50 | 63 |

Table 5 - Views on Nader and Other Instruments of Reform

| | <u>Unawares</u> | <u>Uninformed</u> | <u>Rejecters</u> | <u>Sympathizers</u> | <u>Supporters</u> |
|------------------------------------------------------------------------------------------------------|-----------------|-------------------|------------------|---------------------|-------------------|
| Nader is for free enterprise, but with changes - (%) | -- | -- | 76 | 95 | 96 |
| Naders' program will not result in too much government control - (%) | -- | -- | 56 | 82 | 87 |
| Strongly favor posting of price per ounce information by grocery stores - (%) | 37 | 46 | 52 | 58 | 67 |
| Favor open-dating of foods (other than milk) even if it raises cost a couple of cents - (%) | 54 | 49 | 49 | 64 | 57 |
| Strongly favor having government require proof of advertising claims (%) | 69 | 82 | 80 | 84 | 88 |
| Very likely to use computerized vending machine supplying product information on major purchases (%) | 30 | 27 | 25 | 38 | 48 |