Chapter IV

CONSUMERISM AND ITS HISTORICAL ASPECTS WITH FUTURE PERSPECTIVE
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4.1 MEANING OF CONSUMERISM:

According to the Oxford dictionary, consumer means, “protection or promotion of consumers’ interests”\(^1\).

According to Webster’s student dictionary, consumerism means, “The policy or program of protecting the interest of the consumer”\(^2\).

Under Cambridge dictionary it defines consumerism as, “it is the state of advanced industrial society in which a lot of goods are bought and sold, or (disapproving) the state in which too much attention is given to buying and owing things”\(^3\).

Marketing dictionary defines consumerism as, “public concern over the rights of consumer, the quality of consumer goods, and the honesty of advertising”\(^4\).

Consumerism as noun under Collins Essential English Dictionary defines that:

a. The belief that a high level of consumer spending is desirable and beneficial to the economy: the obsessive consumerism of the 80s

b. Protection of the rights of consumers\(^5\).

According to McMillan Dictionary (1985) "Consumerism is concerned with protecting consumers from all organisations with which there is
exchanged relationship. It encompasses the set of activities of government, business, independent organisations and concerned consumers that are designed to protect the rights of consumers"\(^6\).

The Chamber's Dictionary (1993) defines Consumerism as the protection of the interests of the buyers of goods and services against defective or dangerous goods etc\(^7\).

4.2 WHO IS CONSUMER AND WHAT ARE THEIR RIGHTS?

Every individual is a consumer, regardless of occupation, age, gender, community or religious affiliation. Consumer rights and welfare are now an integral part of the life of an individual and we all have made use of them at some or the other point in our daily routine.

Every year 15th March is observed as "World Consumer Rights Day". It commemorates a historic declaration (1962) by former US President John F. Kennedy of four basic consumer rights:

- The right to safety
- The right to be informed
- The right to choose
- The right to be heard

This declaration eventually led to the international recognition of the fact that all citizens, regardless of their incomes or social standing, have basic rights as consumers. Another significant day is 9 April 1985, when the General Assembly
of the United Nations adopted a set of guidelines for consumer protection and the Secretary General of the United Nations was authorized to persuade member countries to adopt these guidelines through policy changes or law. These guidelines constituted a comprehensive policy framework outlining what Governments need to do to promote consumer protection in the following areas:

- Physical safety
- Protection and promotion of consumer economic interests
- Standards for safety and quality of consumer goods and services
- Measures enabling consumers to obtain redressal
- Measures relating to specific areas (food, water, and pharmaceuticals)

Now it is universally accepted that the consumer has a right to be provided with all relevant information in order to avoid exploitation and make a considered choice in availing of products and services from the market. These rights are well-defined, both on international and national platform and several agencies like the Government as well as voluntary organisations are constantly working towards safeguarding them.

In India, 24th December is celebrated as "National Consumer Rights Day", since the Consumer Protection Act, 1986 was enacted on this day. The Consumer Protection Act was enacted in 1986 based on United Nations guidelines with the objective of providing better protection of consumers’ interests. The Act provides
for effective safeguards to consumers against various types of exploitations and unfair dealings, relying on mainly compensatory rather than a punitive or preventive approach. It applies to all goods and services unless specifically exempted and covers the private, public and cooperative sectors and provides for speedy and inexpensive adjudication.

The rights under the Consumer Protection Act, 1986 flow from the rights enshrined in Articles 14 to 19 of the Constitution of India. The Right to Information Act (RTI), which has opened up governance processes of our country to the common public also, has far-reaching implications for consumer protection.

As per the Act, a 'Consumer' has been defined as:

- Any person who buys goods for consideration, and any person who uses goods with the approval of the purchaser.
- Any person, who hires any service for a consideration and any beneficiary of such services, provided the service is availed with the approval of the person who had hired the service for a consideration.

Moreover, the consideration for either the goods or services may be either paid or promised, or partly paid or promised, or provided under a system of deferred payment.

The Act envisages the promotion and protection of the following rights of consumers:
Right to Safety

Means right to be protected against the marketing of goods and services, which are hazardous to life and property. The purchased goods and services availed of should not only meet their immediate needs, but also fulfill long term interests. Before purchasing, consumers should insist on the quality of the products as well as on the guarantee of the products and services. They should preferably purchase quality marked products such as ISI, AGMARK, etc.

Right to be Informed

Means right to be informed about the quality, quantity, potency, purity, standard and price of goods so as to protect the consumer against unfair trade practices. Consumer should insist on getting all the information about the product or service before making a choice or a decision. This will enable him to act wisely and responsibly and also enable him to desist from falling prey to high pressure selling techniques.

Right to Choose

Means right to be assured, wherever possible of access to variety of goods and services at competitive price. In case of monopolies, it means right to be assured of satisfactory quality and service at a fair price. It also includes right to basic goods and services. This is because unrestricted right of the minority to choose can mean a denial for the majority of its fair share. This right can be better
exercised in a competitive market where a variety of goods are available at competitive prices.

**Right to be Heard**

Means that consumer's interests will receive due consideration at appropriate forums. It also includes right to be represented in various forums formed to consider the consumer's welfare. The consumers should form non-political and non-commercial consumer organizations which can be given representation in various committees formed by the Government and other bodies in matters relating to consumers.

**Right to Seek Redressal**

Means right to seek redressal against unfair trade practices or unscrupulous exploitation of consumers. It also includes right to fair settlement of the genuine grievances of the consumer. Consumers must make complaint for their genuine grievances. Many a time their complaint may be of small value but its impact on the society as a whole may be very large. They can also take the help of consumer organizations in seeking redressal of their grievances.

**Right to Consumer Education**

Means right to acquire the knowledge and skill to be an informed consumer throughout life. Ignorance of consumers, particularly of rural consumers, is mainly responsible for their exploitation. They should know their rights and must exercise them. Only then real consumer protection can be achieved with success.
Thus, the concern of consumer protection is to ensure fair trade practices; quality of goods and efficient services with information to the consumer with regard to quality, quantity, potency, composition and price for their choice of purchase. Such a consumer protection policy creates an environment whereby the clients, customers, and consumers receive satisfaction from the delivery of goods and services needed by them.

4.3 HISTORY OF CONSUMERISM

Consumerism has played an expanding role in the environment of business decision makers during the past decade. Despite wishful thinking by some of these decision makers, the following analysis of consumerism is as relevant today as it was in 1964 when it was written:

(1) As evidenced by consumer agitation at the local-state-federal levels, business has failed to meet the total needs and desires of today's consumers.

(2) Into this business-created vacuum, government forces have quickly moved to answer this consumer need.

(3) The areas of consumer interest are so diverse that they offer government agencies and legislators almost limitless reasons for additional regulation of business and commerce.

(4) If business managers want to avoid such new government regulations (with the attendant possibilities of excessive and punitive legislation), they will have to take positive action to demonstrate that the business interest is in more general accord with consumer's needs and wants.
Consumerism has strong links with the Western world, but is in fact an international phenomenon. People purchasing goods and consuming materials in excess of their basic needs is as old as the first civilizations (see Ancient Egypt, Babylon and Ancient Rome, for example).

The great turn in consumerism arrived with the Industrial Revolution. While before the norm had been the scarcity of resources, The Industrial Revolution created an unusual situation: for the first time in history products were available in outstanding quantities, at outstandingly low prices, being thus available to virtually everyone. And so began the era of Mass Consumption, the only era where the concept of consumerism is applicable.

It's still good to keep in mind that since consumerism began, various individuals and groups have consciously sought an alternative lifestyle, such as the "simple living," "eco-conscious," and buy local" movements.

Consumerism, the promotion of consumer rights and protection. Subject to the doctrine of caveat emptor (Latin, “let the buyer beware”)

The older term and concept of "conspicuous consumption" originated at the turn of the 20th century in the writings of sociologist and economist, Thorstein Veblen. The term describes an apparently irrational and confounding form of economic behaviour. Veblen's scathing proposal that this unnecessary consumption is a form of status display is made in darkly humorous observations like the following:
"It is true of dress in even a higher degree than of most other items of consumption, that people will undergo a very considerable degree of privation in the comforts or the necessaries of life in order to afford what is considered a decent amount of wasteful consumption; so that it is by no means an uncommon occurrence, in an inclement climate, for people to go ill clad in order to appear well dressed." (The Theory of the Leisure Class, 1899)\textsuperscript{10}.

4.4 HISTORY OF CONSUMERISM AS A SOCIO-POLITICAL MOVEMENT

In the literature on new social movements, the organized consumer movement has not so much been over looked but understandably excluded from an analysis which has sought to highlight specifically new forms of political engagement associated with the-Second World War period. Consumerism, that is the organized attempts to fight for better value for money for individual shoppers in the marketplace, has clearly lacked the more obvious radical undercurrents of environmentalism, feminism or the peace movement. Likewise, in its focus on everyday goods, it could never hope to attract the broad attention of the media and the public in the same manner as, for instance, the human rights groups. Consumerism has often been regarded as a transient interest, the abuses of the market place attracting the attention of disgruntled consumers at specific moments in time, yet it remains an interest lacking an ideological or political core which could attract a truly mass base whose commitment could be sustained over a
significant period.

But such a view overlooks much of the work of comparative-testing consumer organizations. Magazines such as *Test, Que Choisir, Consumer Reports* and *Which* have been usually associated with the urban professional middle classes, as guides to their consuming lives, yet many of the organisations behind them have been involved in a range of political issues which suggest important parallels and similarities to other social movements. Furthermore, the magazines themselves have attracted literally millions of subscribers from all over the world and while such figures are not directly equivalent to the committed donations of members of environmental and human rights organizations, a sizeable minority of consumers have regarded themselves as part of a social movement helping to make the market a safer, fairer and more just place for everybody. The following summary of the modern international consumer movement will demonstrate both the extent to which consumers have been prepared to organize as critics of the marketplace and their commitment to correcting abuses which not only assist the affluent individual but consumers as a whole. It will begin by over viewing the growth of the modern consumer movement in Western Europe and America from the 1930s onwards, before moving on, in the second half of the paper, to highlight certain aspects of the international consumer movement. It will demonstrate the extent to which an essentially western-based comparative testing movement was able to adapt to the consumer concerns of the developing - that is the concerns over access to basic needs - and the ways in which these resulted in a new politics of consumption which came to have a profound influence on the shape and nature
of global civil society in the 1980s. What such an examination will demonstrate is
the ways in which consumers have sought to act as political agents in the
marketplace rather than as the passive recipients of the fruits of economic
growth.  

4.5 HISTORY OF CONSUMERISM IN THE UNITED STATES

In spite of being founded under precepts of simple life and frugality, like
those held by the Pilgrims, consumerism in the United States has been a strong
driving force since the times around its foundation. Regardless of the open
criticism by some sectors of society along the years in different period of its
history, consumerism has triumphed in the consumer society of the United States
as can be seen on the high levels of consumption all along its history as a nation up
to the present time. The term “consumerism” is commonly used for expressing
different ideas. In this essay the term is used to “describe the effects of equating
personal happiness with purchasing material possessions and consumption”. As
such it is a term “often associated with criticisms of consumption starting with
Karl Marx and Thorstein Veblen, but can actually be traced back to the first human
civilizations.”

According to Professor Peter Stearns at George Mason University a
reasonable shorthand definition of modern consumerism can be given stressing
two distinct features: “1) a serious commitment to the acquisition, display, and
enjoyment of goods and commercial services clearly not necessary to subsistence
however generously defined, and 2) participation in the process by social groups
outside the upper classes.” (Stearns 2003, para.5). These definitions are very important to consider as they shed light upon the use of the term “consumerism” in the present essay about the history of consumerism in the United States.

In order to study the history of consumerism in the United States two different approaches will be taken. First, the rise of consumerism in the United States will be seen from a general point of view emphasizing some philosophical and ideological aspects of consumerism in modern society. Second, a brief history of consumerism in the United States will be undertaken under a chronological point of view making emphasis on some relevant dates and cornerstones of consumer culture in the United States up to the present.

All along the way certain significant features of consumerism in the United States will be taken into account in order to give a broader idea of the implications and causations of consumerism in the United States. As consumerism and globalization are closely interlinked, it is necessary to understand the present interactions of both in the United States.

The rise of consumerism in the United States has been a steady process along the years, especially throughout the twentieth century around World War I. Charles Kettering, from General Motors, put it simply this way: "The key to economic prosperity is the organized creation of dissatisfaction". (FAIR n. d.). In the first quarter of the twentieth century in the United States there were technological advances that helped to enhance production processes. There was
overproduction, and consumers couldn’t afford what was being produced at such a high pace.

The rise of consumerism in the United States is also linked to the birth of Public Relations. Around 1915 the so-called father of modern Public Relations, Edward Bernays, created propaganda techniques for the U.S. government in relation to World War I in order to control public opinion about this war. After his success in getting support for the government in wartime, Bernays began to apply that knowledge in peacetime in the areas of business and commerce. One of his famous expressions of that time states the following: "the conscious and intelligent manipulation of the … opinions of the masses is an important element in a democratic society. It is the intelligent minorities which need to make use of propaganda continuously and systematically". (FAIR n. d.). The idea behind those kinds of phrases has been widely used for political and commercial profits through the manipulation of public opinion and the power of mass marketing.

On the other hand, taking a look at the history of consumerism in the United States from a chronological perspective, the article “The History of Affluenza” by PBS is really very valuable in order to have a clear picture of consumerism along the years in the United States since the Discovery of America up to the present day12.
4.6 THE GROWTH OF THE MODERN CONSUMER MOVEMENT IN COMPARATIVE PERSPECTIVE

The modern, comparative-testing form of consumer expertise began in the United States. In 1927, a civil servant for the Labor Bureau, Stuart Chase, and an engineer, F. J. Schlink, published *Your Money’s Worth*, a critique of the exploitation of the consumer in the modern marketplace. Drawing on Veblen-esque attacks on consumption as well as anti-trust traditions within American politics, the book epitomized a desire to empower the consumer that was one of the founding principles of Consumers’ Research, which began publishing its *Bulletin* in 1929. Consumers’ Research sought to overcome the ignorance of the consumer and make him or her adopt at assessing the quality of goods while at the same time maintaining a healthy distance from modern commercial values. It rode the wave of a developing consumer consciousness in 1930s America which saw the establishment of a consumer infrastructure within the New Deal bodies and the flourishing of several other consumer organisations. However, in 1936, a strike broke out among Consumers’ Research staff and in the ensuing split, Arthur Kallet, a former collaborator of Schlink, went on to form the longer lasting, and ultimately more successful, Consumers Union. Schlink would later denounce his former radical colleagues - now connected to Consumers Union (CU) - as Marxists, especially since the new organisation did make efforts to link its model of consumerism with the social and economic concerns of the labour movement. But by the end of the 1950s, when it had asserted its non-political role to the House Un-American Activities Committee, CU had been steered by its President,
Colston Warne, and the socially conservative tendencies of the readers of *Consumer Reports*, towards a focus on value-for-money testing. This is not to say that CU has not gone on to support a number of social and economic issues, but its primary focus on testing has proved extremely popular with American shoppers. It has remained a financially successful publishing organisation and it has had an uneasy relationship with some of the more aggressive voices in post-war American consumerism, most notably that of Ralph Nader\(^{15}\).

Nevertheless, the focus on the testing of goods and services was clearly an inspiration to European shoppers. In the 1950s, a number of consumer testing organisations began to emerge. In France, in 1951, the Union Federal des Consommateurs (UFC) was formed and began publishing its testing magazine, *Que Choisir*, in December 1961. The UFC was soon joined by family and rural groups which had formed just previously in the 1940s as well as co-operative organisations and trade unionists through bodies such as the Organisation Generale des Consommateurs (ORGECO, 1959), set up specifically to represent consumers who were also union members. In response, the state initially created the National Consumer Council in 1960 to act as a forum for consumers to interact with government, though this has been followed with more comprehensives measures, most notably the National Consumption Institute in 1968, which published *50 millions de consommateurs* from 1970, and the creation in 1976 of a secretariat of State for Consumption, converted into a full ministry by Mitterand in 1981\(^{16}\).

While the growth of the western European consumer movement attests to the importance of explaining its rise through variables such as affluence, an
increasingly technical marketplace and the growth of advertising and sales techniques which confused individual shoppers, the experience of other countries should not blind us to the fact that much consumer motivation emerged from adversity and detriment rather than the perplexities of expanding choices. Private testing organisations may have emerged in the 1950s, but they often found themselves working alongside pre-existing consumer groups, most notably co-operatives and women’s organisations, the former of which had been recognized as the principal consumer experts in periods of necessity, and the latter of which had risen to prominence as consumer experts in the Second World War. In Japan, the main organisations which have become the dominant spokes bodies for consumers in an age of affluence all emerged in the period of shortages, rationing and controls associated with the Allied occupation in the late-1940s and early 1950s. Women especially protested against the restrictions of a recovering marketplace, leading to the establishment of organisations such as the Japanese Federation of Housewives’ Associations (Shufuren) in 1948 which, by the 1990s, consisted of 400 local affiliates from all around the country. Other, more conservative, women’s organisations have further bolstered the movement and, even as the Japanese began to enjoy unprecedented levels of economic prosperity, local cooperative clubs have flourished, a movement which, if highly diverse, nevertheless boasts 44 million members as housewives in particular have sought to maintain a greater degree of control over an increasingly anonymous and alien marketplace.17

What the Japanese situation highlights is the specificity of different national consumption regimes. The factors which gave rise to consumer organizing across
the industrialized world may have been remarkably similar but how this consumer consciousness manifested itself as a consumer politics varied from one state to the next. Again, in Japan, the collective responsibilities of consumers have been just as relevant as their individual rights and this has meant consumer organisations have recognised the importance of protecting fledgling Japanese industries and agriculture. This has led many commentators on Japan to conclude that its consumer movement has been especially pro-business. Recently, this view has been overturned by Maclachlan’s in-depth study of consumer politics which stresses the oppositional voice of Japanese consumer groups. Nevertheless, business and commercial interests have clearly eclipsed consumer voices within national public and private institutions and thus a large grass-roots consumer movement has had very little impact on economic and social policy when compared to, for instance, the United States. There, a more plural central bureaucracy has created a diverse number of opportunities - and, consequently, strategies - for consumer activists to pursue and, prior to an anti-consumer backlash beginning in the late 1970s, a more aggressive form of consumer politics was able to emerge in the US which achieved notable victories both in the courts (through class actions suits) and in the legislature.

Different institutional contexts also provide part of the explanation as to why Consumer movements have not taken off to the same extent at the grassroots level in other countries. In northern Europe, for instance, stronger state involvement in consumer protection measures has meant consumers have not had to flock to independent, and specifically consumer-based, organisations to realize
their interests. In Germany, organisations of consumers emerged as elsewhere in
the post-Second World War period, and the Arbeitsgemeinschaft der
Verbraucherbände (AgV, Alliance of Consumer Associations) was established as
early as 1953 which has subsequently gone on to co-ordinate different groups’
activities, engage in consumer education and provide information to support its
role as an advocacy organisation. However, it has not sought to become a mass
movement, preferring instead to use its technical expertise to become an equal
partner in the development of products and services. It has sought a negotiated role
with government and, although business interests have predominated, the German
consumer movement has developed a strong representative function. To some
extent, this has meant the government has taken the initiative on many consumer
activities. Several attempts had been made to start comparative testing magazines,
but no lasting publication appeared until Test in 1966. German businesses had
previously blocked the testing and reporting activities of AgV in the early 1960s,
but with the support of the Social Democrats, a government funded testing body,
Stiftung Warentest, was established to publish Test. By the 1990s, sales had
reached one million, and Stiftung Warentest was no longer reliant on government
subsidies. As the pre-eminent national consumer publication, Test differs from
other European publications, since the constitution of Stiftung Warentest allows
for the input of business at all levels of the product examinations. This, in essence,
reflects the German consumer protection regime more generally. German
consumers have an impressive representative and negotiating role at the federal
level (a situation replicated at the state level thanks to the creation of state-based
Verbraucherbände), though this is strongest only in technical areas. What the absence of a strong, independent consumer movement has meant is that German consumer groups have not enjoyed the same freedom of action or ability to set their own agendas as, for instance, in the French case\textsuperscript{19}.

In Scandinavia, limited populations have been held to prevent the economies of scale enjoyed by testing magazines with a mass circulation and thus, no such organisation as the Consumers’ Association or Consumers Union has been able to emerge. Beyond this, however, strong co-operative, trade union and social democratic traditions have ensured the state has often initiated a range of consumer interest activities that have elsewhere emerged from ‘below’. In Sweden, for instance, involvement in consumer affairs in the 1940s and 1950s by trade unions, cooperatives, voluntary and women’s organisations was later taken up by the state (i.e., the Statens Konsumentråd). Later still, Sweden established the world’s first consumer ombudsman as well as a Market Court in 1971 and, in 1973, the state-sponsored National Board for Consumer Policies (Konsumentverket, merging with the ombudsman in 1976). With such top-down consumer protection, no national federation of independent consumer groups was thought necessary until the Cooperative Union established a Consumer Policy Council to serve as a forum for the co-operative, labour and consumer movements (becoming the Consumer Council from 1992). In Sweden, then, the role of the state has been particularly strong and it has offered a specifically Scandinavian model of consumer protection which has been an inspiration for consumer movements elsewhere campaigning for greater state intervention. However, it has also ensured a consumer
consciousness has been directed away from those organisations usually held to be more typical of a social movement.  

4.7 THE SCOPE OF CONSUMERISM

Consumerism is a term that appears to be uniquely associated with the past decade. Even in this short period it has undergone a number of changes in meaning. One of the earliest adopters of the term was Vance Packard, who linked it with strategies for persuading consumers to quickly expand their needs and wants by making them "voracious, compulsive (and wasteful)." His usage clearly reflected the concerns of the fifties with planned obsolescence, declining quality and poor service in saturated consumer goods markets. The term was not put to wider use until 1963 or 1964, when a variety of commentators identified it with the very visible concerns triggered indirectly by Rachel Carson, and directly by Ralph Nader's auto safety investigations and by President Kennedy's efforts to establish the rights of consumers: to safety, to be informed, to choose, and to be heard. The most common understanding of consumerism is in reference to the widening range of activities of government, business and independent organizations that are designed to protect individuals from practices that infringe upon their rights as consumers. This view of consumerism emphasizes the direct relationship between the individual consumer and the business firm. Because it is an evolving concept, there is no accepted list of the various facets of this relationship. The following is representative:-
(1) **Protection against clear-cut abuses.** This encompasses outright fraud and deceit that are a part of the "dark side of the marketplace," well as dangers to health and safety from voluntary use of a product. There is substantial agreement in principle between business and consumer spokesmen that such abuses need to be corrected and prevented, but there is often a wide divergence of opinion on the extent of the problem. As a result the government has taken the initiative in this area; usually after the divulgence of a sensational abuse. This has been the case with much of the legislation dealing with drug, tire, auto and pipeline safety and meat and fish inspection. Even so, this is the least controversial and oldest aspect of consumerism.\(^22\).

(2) **Provision of adequate information.** The concern here is with the economic interests of the consumer. The question is whether the right to information goes beyond the right not to be deceived, to include the provision of performance information that will ensure a wise purchase. Much of the controversy and confusion over consumerism revolves around this basic issue.\(^23\) The two polar positions identified by Bauer and Greyser are the business view that the buyer should be guided by his judgment of the reputation of the manufacturer and the quality of the brand, versus the view of the consumer spokesmen that information should be provided by impartial sources and reveal performance characteristics.\(^24\).

(3) **The protection of consumers against themselves and other consumers.** Some of the thrust behind consumerism comes from the growing
acceptance of the position that paternalism is a legitimate policy. Thus the National Traffic and Motor Vehicle Safety Act of 1966 is not concerned with the possibility that the buyer has an expressed but unsatisfied need for safety, and emphasizes instead that carelessness may have undesirable consequences for innocent participants.\(^{25}\) There is a sound basis in economic theory for such intervention whenever the action of a buyer serves his own best interest and does not account for the effects on others. However, this principle is being extended to situations of implied consumer interest where the individual is deemed unable to even identify his own best interest (e.g., the mandatory installation of seat belts and the provision for a "cooling off" period after a door-to-door sale). This is a strong justification for the protection of inexperienced, poorly educated and generally disadvantaged consumers. More controversial by far is the extension of this notion to all consumers, on the grounds that manipulated preferences may be disregarded when the consumer is not acting in his best interest. So far the idea has not been adopted with enthusiasm\(^{25a}\).

The above three facets of consumerism suggest the current thrust of the movement. Yet, it would be naive to portray consumerism as a static entity. It has had a dynamic past and continues to evolve and change at an increasingly rapid rate. For example, the emphasis of the consumer movement of the thirties and later was on dangerous and unhealthy products and "dishonest or questionable practices which are believed to hamper the consumer in making wise decisions . . . and obtaining useful information."\(^{26}\) The emphasis today is clearly far broader.
There is a high probability that the scope of consumerism will eventually subsume, or be subsumed by, two other areas of social concern: distortions and inequities in the economic environment and the declining quality of the physical environment. The forecast of a greater identity between these social problems and consumerism rests on the fact that they are associated with many of the same basic causes, have common spokesmen, and seem to be moving in the same direction in "any respects. Indeed, Yohalem has indicated that the ultimate challenge of consumerism to industry is "toward ending hunger and malnutrition toward alleviating pollution of the air, water and soil toward educating and training the disadvantage toward solving these and other problems of a society rather than strictly of an industrial nature." 27

Concern over the economic environment dates back to the end of the last century. The long-run manifestation of this concern has seen antitrust law and enforcement, which has swung back and forth between protecting competition and protecting competitors. Despite various ambiguities in antitrust interpretation, this has been a major effort to ensure the consumers' "right to choose" by increasing the number of competitors. Some regard it as "the fundamental consumer edifice on which all other measures are bottomed."28 Judging from the recent intensification of concern over the economic role of advertising and promotion (insofar as they increase price and raise barriers to entry to new markets), reciprocity, restrictive distributive arrangements, conglomerate mergers, and related topics, it appears that antitrust issues will be a continuing impetus to consumerism. In a period of rapid inflation it is not surprising that advertising and
promotion costs have come under additional scrutiny for their role in contributing to high prices, particularly food prices. This promises to be a durable issue, inasmuch as a task force of the White House conference on food, nutrition, and health has recommended lower food prices, by reducing promotion not related to nutritional or other food values, as a major item in a national nutrition policy.29

More recently, consumerism has become identified with the widespread concern with the quality of the physical environment. The problems of air, water, and noise pollution have become increasingly salient as the tolerance of the public for these abuses has decreased. In effect a "critical mass" of explosive concern has suddenly been created. The consumer movement has rapidly rearranged its priorities to become a part of this critical mass. This shift is not surprising in view of the desire to broaden consumerism to include problems arising from indirect influences on the consumer interest. It also follows naturally from the long standing concern with built-in obsolescence and poor quality and repairability, for these problems contribute to pollution in a "disposable" society.

As the consumer movement joins with conservationists and interested legislators there is a growing likelihood of government action. The argument for such intervention has been well stated by Andrew Shonfield:

*Increasingly the realization is forced upon us that the market, which purports to be the reflection of the way in which people spontaneously value their individual wants and efforts, is a poor guide to the best means of satisfying the real wishes of consumers. That is because market prices generally fail to measure either*
social costs or social benefits. In our civilization these grow constantly more important. Simply because some amenity—let it be a pleasant view or an uncongested road or a reasonably quiet environment—is not paid for directly by those who enjoy it, there is no measure of the cost of the disinvestment which occurs when a profitable economic activity destroys what already exists. Unless the State actively intervenes, and on an increasing scale, to compel private enterprise to adapt its investment decisions to considerations such as these, the process of economic growth may positively impede the attainment of things that people most deeply want.

4.8 THE UNDERLYING CAUSES OF CONSUMERISM

Additional insights come from a consideration of the factors underlying the recent upsurge of interest in consumerism. It appears that increasingly discontented and aroused consumers have combined with a growing number of formal and informal institutions capable of focusing discontent, to create enough pressure to overcome the advantage of the traditionally more effective lobbies representing the producer's interests. Since a particular government action means much more to the individual producer (who will be totally affected), than to the individual consumer (who divides his concern among many items), this clearly involved a significant effort.

4.8 (a) The discontented consumer:

The discontented consumer is not part of a homogeneous group with easily described complaints. The fact is that there exists a great variation among
consumers in the extent of their discontent and a wide variety of underlying causes. Nonetheless, it is possible to distinguish specific source of discontent that are traceable to the marketing environment, from other more pervasive concerns with the nature of society.

4.8 (b) Problems in the marketplace:

To some observers the leading problem is imperfections in the state of information in consumer markets\(^{31}\). Their argument is that consumers would be adequately cared for by competition if they could learn quickly about available brands and their prices and characteristics. However, as products proliferate each consumer is less and less able to make useful price and quality comparisons. This inability leads to "increasing shopper confusion, consequent irritation and consequent resentment." \(^{32}\)

The problem is most severe for products which are purchased infrequently, exhibit a rapid rate of technological change and whose performance characteristics are not readily apparent. Hence we see increasing pressure for tire standards, unit prices, truth-in lending, truth-in-funds, and information about the design-life of durable goods and so on. The truth-in-packaging bill is another manifestation of this problem, for it aims to help the consumer cope with the volume of information available on the thousands of available grocery and drug products. Since advertising has not been notable as a source of adequate, or even accurate, information that could alleviate the problem, it has been under continuing attack. \(^{33}\)

To the extent that retailing is becoming more and more impersonal, the whole situation may become worse. Thus,
... as a result of the character of contemporary retail establishments, the vastly increased number of consumer products, and the misleading, deceptive and generally uninformative aspects of advertising and packaging, the consumer simply lacks the information necessary to enable him to buy wisely.\textsuperscript{34}

This is not an unusually intemperate charge; nor is it denied by the finding that 53 per cent of a sample of adults disagreed with the statement that "In general, advertisements present a true picture of the product advertised." This response measures both a concern over genuine deception and differences in people's tolerance for fantasy.\textsuperscript{35} Nonetheless the potential for dissatisfaction is large.

The proliferation and improvement of products, resulting from attempts to better satisfy specific needs and/or reduce direct competition, has had other consequences as well. As one appliance executive noted, "... the public is staging a revolt of rising expectancy. Customers today expect products to perform satisfactorily, to provide dependable functional performance and to be safe. This threshold of acceptable performance is steadily rising ..."\textsuperscript{36} Unfortunately the complexity and malfunction potential of many products has also been rising\textsuperscript{37} The result is an uncomfortable level of dissatisfaction with quality, compounded by inadequate service facilities.\textsuperscript{38} This situation is not confined to hard goods, for one result of rapidly rising sales is overburdened retail and manufacturing facilities, which leads to deteriorating quality and service for almost all mass merchandised goods.\textsuperscript{39}
4.8 (c) The activist consumer:

The discontented consumer found many more effective ways to express feelings and press for change during the 1960's than ever before. The development of means of translating discontent into effective pressure distinguishes recent consumer efforts from those of the 1910 and 1935 eras.

The consumer has been more ably represented by advocates such as Ralph Nader, Senator Warren Magnuson and a number of Journalists who pursue similar interests. These men are able to identify and publicize problems, and follow up with Workable programs for improvement. In a real sense, they are self elected legal counsels to a typically unrepresented constituency. Many consumer problems would have remained smoldering but unfocused discontents without their attention. As new product researchers have frequently found, consumers don't know what is bothering them or realize that others are similarly troubled until the extent of the problem is publicized or an alternative is provided.

The institutional framework has also been expanded and strengthened in recent years. Traditional bodies, such as Consumers Union and Consumers Research, Inc., have now received support from permanent bodies in the government such as the Consumer Advisory Council and the Office of the Special Assistant to the President for Consumer Affairs. These agencies have been specifically developed to avoid the problems of excessive identification with regulated industries which plague some of the older regulated bodies.

This decade has also seen greater willingness on the part of consumers to take direct action. Consider the protest of the housewives in Denver over the costs
of trading stamps and games. While this was probably due to general dissatisfac-
tion over the effects of inflation on food prices, it did represent an important preceden-
t. More sobering is the extreme form of protest documented by the National Commissi-
on on Civil Disorders. "Much of the violence in recent civil disorders has been directed at stores and other commercial establishments in disadvantaged Negro areas. In some cases, rioters focused on stores operated by white merchants who, they apparently believed, had been charging exorbitant prices or selling inferior goods. Not all the violence against these stores can be attributed to 'revenge' for such practices. Yet, it is clear that many residents of disadvantaged Negro neighbourhoods believe they suffer constant abuses by local merchants." 40

4.9 THE CHANGING LEGAL AND POLITICAL SCENE

The pressures for change have been directed at a legal and political structure that is much more willing to take action than before:

(1) Overall, there is more acceptance of government involvement in issues of consumer protection. Also, the Federal government has been more prepared to take action, because the state and local governments have generally defaulted their early legal responsibility in this area. 41

(2) A combination of factors has contributed to the expanded role of the Federal government: Congress is no longer so dominated by the rural constituencies who appear less interested in these matters; consumer legislation is relatively cheap and appears to generate goodwill among voters; and various tests of the influence of business lobbyists have shown
that their power is not as great as originally feared. In fact, many observers feel that industry may have been its own worst enemy by often opposing all consumer legislation without admitting any room for improvement or providing constructive alternatives. Worse, they may have demonstrated that industry self-regulation is not workable.

(3) The consequence is a Congress that is responsive to the economic interests of consumers. A significant proportion of the enacted or pending legislation is a result of Congressional initiative and is directed toward ensuring that consumers have adequate and accurate shopping information. This is very different from earlier legislation which was enacted because a tragedy dramatized the need to protect health and safety.

(4) Finally, a large number of legal reforms have been slowly instituted which attempt to correct the imbalance of power held by the manufacturers, e.g., the expansion of the implied warranty, and the elimination of privity of contract. Of special interest are current efforts to give the individual consumer more leverage by making the practice of consumer law profitable for attorneys. The mechanism being promoted is the consumer class action which permits suits by one or a few consumers on behalf of all consumers similarly abused. This will make fraud cases, where individual claims are smaller than legal costs, much more attractive to investigate and litigate.

4.10 THE FUTURE OF CONSUMERISM

One of the main conclusions from past efforts to forecast social phenomena is that naive extrapolations are likely to be wrong. A better approach in this
situation is to utilize the interpretation that consumerism is at least partially a reflection of many social problems that are certain to persist, and perhaps be magnified in the future. This diagnosis rules out the possibility that consumerism activity will decline significantly in the future; the unanswered questions concern the rate of increase in this activity and the areas of greatest sensitivity.

One index of activity, the amount of Federal consumer legislation pending, should slow its rate of increase. Only a limited number of consumer bills can be considered at a time, and over 400 such bills were pending in Congressional committees at the end of 1969. Also more attention will have to be given to implementing and improving existing legislation rather than writing new legislation. For example, there is evidence that the truth-in-lending bill will not achieve its original goals, partly because of lack of understanding of the problem and partly because of inadequacies and confusion in the enacted legislation. Similarly it is dismaying that after two years of experience with the truth-in-packaging bill it is being referred to as "one of the best non-laws in the book." In this particular situation the problem seems to lie with the interest and ability of the various regulatory agencies to implement the law. This is not an isolated example of enforcement failures. The Food and Drug Administration (FDA) recently estimated that less than two-thirds of all food processors have complied with standards to prevent some forms of food contamination. One result has been an increased pressure for a powerful central consumer agency to implement, modify and coordinate the 269 consumer programs that are presently administered by 33 different Federal agencies.
The very nature of the contemporary marketplace will probably continue to inhibit basic changes in business operations. Weiss points out that some manufacturers and retailers will always equate responsible with legal behavior. These tendencies are reinforced by the competitive structure of many markets where success depends on an ability to appeal directly to the "marginal float." One view of this group is that they constitute a minority who are "fickle . . . particularly susceptible to innovation that may not be relevant, and to attention getters such as sexy TV jokes or giveaway games." While research support is lacking, this widely held view helps explain some of the behavior that consumerists complain about.

There are signs that concerned parties are making efforts to rise above emotion to rationally identify and realistically attack the problems. Two major, if embryonic, research efforts are underway which aim at providing decision makers in business and government with empirically based knowledge to supplement the intuition on which they now too often solely rely. The first is the Consumer Research Institute sponsored by the Grocery Manufacturers Association, the second is an effort by the Marketing Science Institute. Although both research organizations have close ties with business, neither was established to justify or defend vested interests. Their objectives are to promote basic, academic research that will be respected by all parties. The MSI group specifically proposes to obtain participation at the research design phase of each project of those who would potentially disagree about policy. Although the government now has no comparable effort, it is reasonable to expect movement in this direction. Cohen has suggested that the FTC should establish a Bureau of Behavioral Studies "whose.
Function would be to gather and analyze data on consumer buying behavior relevant to the regulations of advertising in the consumer interest." 57

These research approaches and the forces behind them should not only generate influential information but should also help stimulate some basic changes in orientation. We can expect to see, for example, the simplistic "economic man" model of consumer behavior enriched. 58 The last decade has seen great progress made in the study of consumer behavior. This progress should contribute directly to a deeper analysis of consumerism issues. We can also hope that the dissemination of relevant Knowledge will help eliminate the present semantic problems. 59 Such a development must accompany rational discourse.

Finally, we can expect business managers, whether progressive or defensive, to develop new, flexible approaches toward insuring that the rights of the consumer will be protected. Even though the motives may be mixed there is no reason why effective programs cannot be developed.
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