

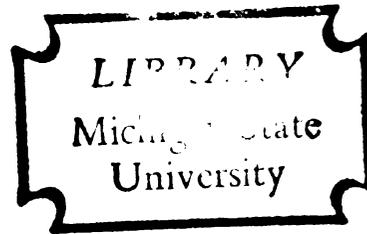
CONSUMER ATTITUDES TOWARD THE PREVENTION
AND RESOLUTION OF CONSUMER COMPLAINTS

Dissertation for the Degree of Ph. D.

MICHIGAN STATE UNIVERSITY

MARILYN POGUE NAGY

1976



This is to certify that the

thesis entitled

CONSUMER ATTITUDES TOWARD THE PREVENTION AND
RESOLUTION OF CONSUMER COMPLAINTS

presented by

Marilyn Pogue Nagy

has been accepted towards fulfillment
of the requirements for

Ph.D. degree in Family Ecology

A handwritten signature in cursive script, appearing to read "Linda Nelson".

Major professor

Date October 19, 1976

ABSTRACT

CONSUMER ATTITUDES TOWARD THE PREVENTION AND RESOLUTION OF CONSUMER COMPLAINTS

By

Marilyn Pogue Nagy

This research attempted to assess consumer attitudes toward the prevention and resolution of selected consumer problems and issues. There were two parts to the study. The first contained Likert-type statements related to government intervention, business responsibility, and consumer education as measures for preventing consumer complaints.

The second part listed common consumer problems and proposed solutions that involved government intervention, voluntary business responsibility, and consumer education solutions. Respondents indicated their agreement or disagreement with each solution on a five-point Likert scale. In addition, there were questions included in the survey to provide exploratory data on contemporary consumer issues such as price marking in supermarkets using computer check-outs, television advertising aimed at children, special marketplace protection for the senior citizen, and paying for pollution caused by consumer products.

Questions on age, sex, occupation, income, education, and employment status were included so responses could be cross-tabulated



by demographic categories. These questions also facilitated a comparison of sample characteristics to population characteristics.

The survey was mailed to randomly selected names in five metropolitan areas: Denver, Colorado; Atlanta, Georgia; Detroit, Michigan; Kansas City, Missouri; and Seattle, Washington. The cities represented diverse industries, occupations, unemployment rates, incomes, and educational levels. The names were generated from computer runs of the R. L. Polk Co. occupational mailing lists.

The survey instrument was mailed to 735 consumers during July and August, 1976. There were 224 surveys returned, 223 of which were usable. After deducting for questionnaires that were returned for non-delivery, the return rate was 33%. The respondents represented a cross-section of the population in terms of income, age, occupation, sex, and education.

Chi-square analysis was used, since ordinal data were involved, to infer if any of the demographic variables were statistically associated with the consumer attitudes expressed in the survey.

Twenty-one hypotheses were tested to determine if consumers in various demographic categories held different attitudes toward government intervention, voluntary business responsibility, and education as measures to prevent and resolve selected consumer complaints.

There were significant differences in attitudes, by sex, with women holding more positive attitudes toward voluntary business responsibility, government intervention, and consumer education as preventive measures.

There were significant differences, by occupation, in attitudes toward government intervention to both prevent and resolve complaints with those in the less skilled occupations holding more favorable attitudes toward government intervention. There were significant differences, by educational level, in attitudes toward government intervention and education as measures for preventing consumer problems. The majority supported the concepts of consumer education courses for adults and high school students and having a local consumer specialist available whom residents could contact for information. They also supported the government's role as a provider of consumer information.

The majority of the respondents felt business should produce better quality products which require less service, even if they cost more; perform all in-warranty work without a labor charge; replace defective in-warranty products that cannot be fixed within 30 days; provide more informative advertising; and be concerned about having satisfied customers and voluntarily correct consumer problems. There was some skepticism expressed, but the majority supported the concept of business groups setting up arbitration panels with impartial participants to decide on the merits of disputed complaints.

Respondents supported more legislation at the federal level so those who are fraudulent cannot move to another state to avoid prosecution. They also supported legislation requiring that consumer contracts be written in language easy for average consumers to understand and extending the 3-day cooling-off period to all sales contracts over \$35.

CONSUMER ATTITUDES TOWARD THE PREVENTION AND
RESOLUTION OF CONSUMER COMPLAINTS

By

Marilyn Pogue Nagy

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1976

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CHAPTER I

INTRODUCTION

Adam Smith's invisible hand concept stated that if individuals pursued their own self-interest they would meet the needs of society. Something went wrong! In 1975 the Better Business Bureaus nationally received 846,100 requests for help with consumer complaints (Council of Better Business Bureaus, 1975). The Major Appliance Consumer Action Panel (MACAP) received 4,000 complaints for arbitration (MACAP, 1976). These 4,000 complainants had already been through the retailer-manufacturer channels to try to resolve the issues.

These figures do not reflect the requests for help that were received by local and state consumer affairs departments, consumer affairs divisions of state attorney general offices, nor consumer action departments of electronic or print media.

The Problem

If all consumer problems were clear-cut legal issues, there would be no need for this study. As the marketplace has become increasingly impersonal it has become more difficult to place responsibility for the resolution of consumer problems. Each person involved passes the responsibility to someone else, with the end result of no action for the consumer with the problem. While some businesses generate few consumer problems, others which are

also operating within the existing legal framework, generate many complaints.

There is no consensus as to how consumer complaints should be resolved, only opinions by individual spokesmen. Business has not usually asked consumers what they feel would be fair solutions to consumer problems and issues. Consumerists are frequently criticized for not representing the views of actual consumers.

This study provides data on how consumers feel about the prevention and resolution of selected consumer problems. It explores consumers' opinions on questions such as how much government intervention do consumers want? How much responsibility do consumers feel they themselves should have in preventing or accepting some problem areas? What are fair solutions to problems where there are indirect costs to the consumer because of defective products? How responsible do consumers want business to become?

Alternate Solutions to Consumer Problems

There are three alternatives to the prevention and resolution of consumer problems discussed in the literature: voluntary action by business, government intervention, and education of the consumer.

Some problems can be prevented by voluntary business actions to improve product design, quality control, and servicing policies. Other problems, particularly where it is difficult to pinpoint responsibility or where there are no uniform standards, require government intervention. Still other problems could be prevented if

consumers were educated in basic financial planning principles, the decision-making process, how to locate pre-purchase information, and in understanding basic contractual language.

There is no unanimity on solutions to consumer problems. As Cox, Fellmeth, and Schutz (1969) point out, the viewpoints of housewives, labor, business, and government on a particular issue are often very divergent.

Our social system is so constructed that changes in one system effect changes in interfacing systems. Thus, any proposed solutions need to be evaluated considering the impact on all other systems, including the family. If a legislative answer to a problem is proposed, the economic impact of both passage and maintaining the status quo must be determined. Secondary effects must also be calculated as they often mitigate the effectiveness of the original legislation (Walker, Sauter, & Ford, 1974).

If an educational answer to a problem is proposed, questions must also be asked and answered. Can those most in need of help be reached? Is education the best answer? What does cost/benefit analysis reveal? Will education solve the problem? When is the appropriate time and place for consumer information to be available? Does education merely mean acceptance of the status quo?

If an increased business responsibility solution or arbitration is proposed, other questions will have to be asked. Will the unethical merchant who causes the most problems cooperate? If not, how viable is the solution? What will better quality products cost? Is arbitration feasible? What does it cost? Should

arbitration be binding? Can guidelines for deciding on settlements that are fair to all parties be established? Who should serve as arbitrators?

No one alternative is feasible in preventing or resolving all consumer issues. Some problems, such as warranty-related issues, need a tripartite approach--increased voluntary business responsibility, government intervention, and consumer education. Other problems, such as high-pressure home sales techniques, needed only government intervention, in the form of legislation requiring a 3-day cooling-off period, to reduce substantially the number of complaints (Council of Better Business Bureaus, 1976). Most legislation, however, needs enforcement and educative components to be effective. Each of these three alternatives is discussed in the review of literature.

The thrust of the next decade may well be the prevention of consumer problems according to Cohen, who states that attempts to eliminate an abuse prior to its introduction represent a social goal that is generally accepted (1975, p. 24). She points out, however, that limitations on the activities of businessmen inherent in the pursuit of prevention are often viewed as restrictive and that a policy of prevention should not unfairly encroach on either the buyer's right to choose or the seller's right to decide what and how to sell.

Since consumer protection is concerned with the fundamental nature of the seller-consumer relationship, it strikes at the very heart of the economic base of our society (Feldman, 1976, p. 4).

Consequently, those in government, in business, and consumers all have a large stake in the future of consumer issues, problems, and their resolution.

The Human Ecological Approach to Consumer Problems

This study was undertaken from the perspective of the human ecologist, whose central focus is the family. The human ecological perspective is not a micro approach; rather it is a macro view which considers the interdependence of the family with the other societal systems with which it interfaces--the economic, political, religious, and educational systems. The human ecologist believes families can best be helped by an interdisciplinary approach to problem solving.

The vast majority of families live on incomes where it is not possible to have everything they want (Saxton, 1972, p. 302). Thus a decision to purchase one product or service usually precludes the purchase of another product or service. In a review of recent studies on quarrels by married couples, Saxton found that economic factors were closely related to marital stability and critical to marital adjustment. Further, he states that economic stress is a major cause of marital failure with couples quarreling about the allocation of present spending and how to pay the bills for the things they have already purchased (Saxton, 1972, p. 299). Family economists are also concerned with psychic income, which is defined as the satisfactions and dissatisfactions realized from the

use of real income over a period of time (Fitzsimmons & Williams, 1973, p. 251).

Throughout the history of human ecology/home economics, education and research programs have focused upon man's well-being, with special emphasis on the family (The Association of Administrators of Home Economics, 1970, p. 2). In recent years the profession has become increasingly concerned with the impact of other systems of society on family well-being, realizing that if professionals are to help families they must work for changes in the systems causing problems for families.

In the National Goals and Guidelines for Research in Home Economics, developed by the Association of Administrators of Home Economics (1970), seven broad research problem areas were identified to help improve consumer competence and family resource use (Goal IV).

1. Consumer Service Needs
2. Consumer Choice Making and Behavior
3. Consumer and the Marketing System
4. Values and Behavior
5. Management and Decision-Making Processes and Situations
6. Resource Development, Allocation, and Use
7. Levels of Living

Under Goal IV, No. 3, Consumer and the Marketing System, specific areas where research was needed were identified (p. 45).

This study contributes to specific areas under Goal IV, No. 3.

1. Knowledge about consumers useful for increasing consumer satisfaction through improved goods and services.
2. Specific characteristics of consumer preference and its influence on the market.

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In addition, this study contributes to the economic framework for studying the family as described by Rice (1966, chap. 10) and Compton and Hall (1972, pp. 36-37).

Purpose of the Study

The purpose of this study was to determine the attitudes of respondents in various demographic classifications toward government intervention, business responsibility, and consumer education as measures to prevent and resolve consumer problems.

In addition to hypotheses testing, the study provides descriptive data on the current consumer issues of advertising aimed at children, pricing of merchandise in supermarkets using computer scanners, and special marketplace consideration for senior citizens.

Another goal was to bridge the gap between research and practice. Fox stated,

At some point in the near future there will be greater communication between researchers and practitioners so that some middle ground is achieved in which the researchers pay somewhat greater attention to practical significance and the practitioner to statistical significance (1969, p. 265).

This study is designed to fit that gap. The writer's experience in consumer affairs in industry, government, and education points up that only with a multi-faceted approach, which is pragmatic in nature, is there hope of preventing and resolving consumer complaints.

Value of the Study

This study can provide some guidelines to businessmen, Consumerists, educators, and government officials as they proceed

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to work toward developing mechanisms that will reduce the number of consumer complaints.

Businessmen can use the findings to see how their views compare with consumers' views toward voluntary business responsibility to prevent and resolve complaints. The results could serve as an aid in developing marketing and service policy strategies that will be less frustrating to consumers. Legislators and government rule promulgators can use the data to see how much responsibility consumers feel government should assume in the prevention and resolution of consumer complaints.

Those in the academic community who work in the consumer education area can use the data to help identify areas where consumer education may be effective in preventing problems. Consumers also benefit by having collective data available to legislators and businessmen as to how they stand on alternate solutions to current marketplace consumer problems. Such data provide information to compare the views of consumers with those opinions expressed by consumer spokesmen.

Several statements included in the instrument developed for this survey replicate the work of others. Some of the statements and all of the complaint situations are not found in other research; thus they can provide a data base for future research.

Limitations of the Study

Like all research, particularly that done on limited funds, there are limitations. First, since a mail survey was used, it is possible that the sample returns do not reflect the population, as

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there is no way to ascertain how the attitudes of those who respond compare to those who do not respond. Demographic characteristics of the sample show only minor discrepancies with the population when compared with United States Census data (see p. 59).

A second limitation is that the data were collected during the summer of an election year in which anti-government rhetoric had become an issue. This may have affected attitudes toward government intervention in consumer-related issues among some segments of the sample.

A third limitation is that this study concentrated on consumers' attitudes toward alternate approaches to the prevention and resolution of consumer complaints, which are facets of the broader consumerism movement. No effort was made to assess the attitudes of businessmen toward the situations or statements. The issue of product safety was not dealt with because a review of the literature revealed this was not a consumer concern in regard to complaints.

A fourth limitation is a result of the necessity of limiting the sample to five metropolitan areas. Replication of this study should include both rural, urban, and small town respondents in more states. This study used only urban respondents; thus those in outlying suburban areas, small towns, and rural areas were not represented.

CHAPTER II

REVIEW OF LITERATURE

This chapter includes a review of some of the literature on aspects of consumerism most pertinent to this study, with emphasis on preventing and resolving consumer complaints. Since the amount of literature written in recent years has been extensive, articles and research studies have been selectively included in this review of the literature and research.

The review of literature chapter contains five sections. The first section includes an overview of consumerism. The second section includes the government's historical role in consumer protection and discusses types of government intervention. The third section deals with business viewpoints on consumer problems. The fourth section covers perspectives on consumer education as a way of alleviating consumer problems. The fifth section summarizes some of the research relevant to voluntary business responsibility, government intervention, and consumer education as they relate to consumer complaints.

Overview of Consumerism

Consumerism has been defined in several ways. It is defined in the dictionary as "the movement seeking to protect the rights of consumers by requiring such practices as honest packaging, labeling



and advertising, fair pricing and safety standards" (American Heritage, 1973, p. 286). Some, such as Feldman (1976), see it as synonymous with the term consumer protection.

Aaker and Day state that 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 (1971). They further define consumerism as protection against clear-cut abuses, provisions for adequate information, and protection of consumers against themselves and other consumers.

Buskirk and Roth (1970) define consumerism as "the organized efforts of consumers seeking redress, restitution, and remedy for dissatisfaction they have accumulated in the acquisition of their standard of living" (p. 62).

Historical Perspective on Consumerism

Although consumer protection has emerged as an issue three times in the twentieth century, the emphasis has been different (Kangum, 1975, p. 3). The first era was prompted by Sinclair's book, The Jungle (1906), which dealt with slaughterhouse conditions and prompted the passage of the Meat Inspection Act of 1906. Revelations about the drug industry prompted the first government intervention into food and drug products, also in 1906.

The second era of consumerism occurred in the 1930's. It was prompted by inflation, unemployment, and general dissatisfaction with the economy. The third era of consumerism started in the 1960's and was aided by authors who raised the public conscience

on issues that affect the individual. General Motors' less than exemplary behavior in reaction to Nader's book, Unsafe at Any Speed (1965), made for more publicity and helped establish Nader as a protector of the consumer against big business (Sethi, 1974). Although much of motivation research was later discredited, many believed in the subliminal effect advertising might have and saw themselves as being manipulated (Dichter, 1960).

The third consumerism era was the first in which consumers effectively began to organize at the local and state level. It is this organization that appears to have had a major impact on Congress, for until 1959 there were only 10 legislative acts whose prime purpose was to protect consumers, yet in the 1960's 13 acts were passed (Feldman, 1976, pp. 283-285).

Despite predictions that today's consumer movement would subside as its predecessors had subsided, consumerism continues to grow in both scope and support according to Kangum, Cox, Higginbotham, and Burton (1975). They point out that the current movement is becoming increasingly institutionalized. As evidence they cite the formation at all levels of government of new agencies to represent and protect the consumer interest, i.e., Office of Consumer Affairs and the Consumer Product Safety Commission.

Kotler (1972) points out that consumerism is not a fad because the issues which flamed the latest movement differ so much in character and force from previous movements that consumerism may be here to stay. He states that the current movement has resulted from a complex combination of circumstances, not the least of which

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was increasingly strained relations between standard business practices and long-run consumer interest. Kotler developed a paradigm for understanding the factors contributing to consumerism in the 1960's which tends to incorporate, concisely, the ideas of many writers (Table 2.1).

According to Broffman (1971), consumerism is not a simple continuation of past protection agitation. Rather it puts to a test some of the basic values we have lived by until now (p. 16).

Consumerism Issues

Yokalem predicted in 1969 that consumerism would eventually subsume, or be subsumed by other areas of social concern. He cited inequities in the economic environment and the declining quality of the physical environment as examples. John Kenneth Galbraith speaks to these broader issues in his book, Economics and the Public Purpose (1973). His discussion of such topics as inequality of income, maldistributing of public resources, environmental damage, inflation, and the crypto-servant role of the homemaker is causing some to question the assumptions on which our economic system operates.

Others such as E. F. Schumacher, in his book Small Is Beautiful: Economics as if People Mattered (1973), discussed some of the same ideas about growth, public policy, and the use of resources. Linder (1970) raised some of these issues in his book, The Harried Leisure Class, in which he pointed out that consumption takes time--time for shopping, use, and maintenance. And, beyond a certain consumption level, there is little time to enjoy consumption unless

Table 2.1--Factors Contributing to the Rise of Consumerism in the 1960's.

1. Structural conduciveness
 - . Advancing incomes and education
 - . Advancing complexity of technology and marketing
 - . Advancing exploitation of the environment

 2. Structural strains
 - . Economic discontent (inflation)
 - . Social discontent (war and race)
 - . Ecological discontent (pollution)
 - . Marketing system discontent (shoddy products, gimmickry, dishonesty)
 - . Political discontent (unresponsive politicians and institutions)

 3. Growth of a generalized belief
 - . Social critic writings (Galbraith, Packard, Carson)
 - . Consumer-oriented legislators
 - . Presidential messages
 - . Consumer organizations

 4. Precipitating factors
 - . Professional agitation (Nader)
 - . Spontaneous agitation (housewife picketing)

 5. Mobilization for action
 - . Mass-media coverage
 - . Vote-seeking politicians
 - . New consumer interest groups and organizations

 6. Social control
 - . Business resistance or indifference
 - . Legislative resistance or indifference
-

Note. From "What Consumerism Means for Marketers" by P. Kotler, Harvard Business Review, 1972, 50(3), 50, Exhibit 1.



there is someone to whom the purchase and maintenance responsibilities can be delegated.

The problems associated with affluence, such as increased product complexity and rising consumer expectations, are likely to continue, according to Kangum et al. They attempted to determine the issues perceived as falling under the heading of consumerism. Their research indicated agreement on the following issues:

1. Information (such as more informative advertising, clearly written warranties, etc.)
2. Health and Safety (such as the high price of food, insurance, and hospital care)
3. Repair and Servicing (such as improved servicing of appliances and automobiles)
4. Pricing Issues (such as the high price of food, insurance, and hospital care)
5. Pollution in the Environment (such as dirty air, water, excessive billboards)
6. Product Quality (such as frequent obsolescence, product breakdowns)
7. Consumer Representation in Government (such as a lack of consumer representation in government agencies) (Kangum et al., 1975, p. 5).

Broffman (1971) states that "the new consumerism is much wider and complex in scope. It is aimed at health services, utilities, transportation, safety, consumer representation, consumer education and it is inter-mixed with anti-poverty programs" (p. 16).

There appear to be social and ethical issues in the contemporary consumerism movement. Kollatt, Blackwell, and Robeson (1972, Chap. 22) distinguish between social responsibility and ethical responsibility. Social responsibility is defined as

accepting an obligation for the proper functioning of the society in which the firm operates and how it contributes to the society. Ethical responsibility is more fundamental. It deals with the determination of how things should be, human pursuit of the high course of action, and the individual's doing what is morally right.

The consumerism movement today incorporates elements of social and ethical responsibility as opposed to Friedman's philosophy that business has one and only one social responsibility--to use its resources and engage in activities designed to increase its profits so long as it stays within the rules of the game (1968). He defines rules of the game as engaging in open and free competition without deception or fraud. He goes on to state that "Few trends could so thoroughly undermine the very foundations of our free society as the acceptance of a social responsibility other than to make as much money for their stockholders as possible" (pp. 113-114). Perhaps the consumerism movement may have been caused by too many businessmen operating on the Friedman philosophy. Who is watching out for the family and consumer's interest? In his book, In the Name of Profits, Heilbroner (1973) documents cases of lying, cheating, and outright fraud by businessmen determined to make a profit without regard for any other consequences of their decisions.

Government Intervention Literature

Government's Role in Consumer Protection

Responsibility for the public welfare is part of Article I of the Constitution of the United States. It was over 100 years

after the Constitution was adopted, however, before any Congress took that constitutional charge seriously.

The first thrust to impose controls on the economic giants and secure a place for the public interest in their operation took place in the early part of the 20th century (Swagler, 1975, p. 170). The two most important means of achieving this control were, and still are, anti-trust action and regulatory agencies.

The Sherman Anti-Trust Act, passed in 1890, was designed to prevent the elimination of competition by forbidding monopolistic practices and collusion (Adams, 1971, pp. 457-458). Although this legislation does have the effect of keeping prices down for consumers, it was primarily designed to preserve competition and protect small businessmen.

Because the Sherman Act was difficult to enforce, the 1914 Federal Trade Commission Act was passed. This act spelled out specific unfair methods of competition, but it did little to help consumers directly. The government took on its first significant role in consumer protection with the passage of the Wheeler-Lea Act in 1938, which amended the Federal Trade Commission Act and prohibited unfair or deceptive acts or practices.

Following Ralph Nader's attack on the Federal Trade Commission in the late 1960's, this agency began to look seriously at its role as a consumer protector (Cox et al., 1969). It is now actively promulgating rules that protect consumers in the areas of advertising warranties and marketing strategies.

Lewis Engman, chairman of the Federal Trade Commission, in an address before the American Bar Association in 1974 stated that we have a marketplace quite different from that which exists on the pages of Adam Smith's The Wealth of Nations. He stated that today's government policies must cope with these changes if Adam Smith's objectives--that is, an efficient marketplace and low prices--are to be achieved.

Swagler (1975, pp. 165-167) pointed out that the pendulum has swung from no government interference in the 18th century to what it is today. In earlier centuries there was a paternalistic attitude by businessmen, which began to break down as the country industrialized. It was not until laissez-faire began to dominate public thinking that consumers emerged as independent agents in the economic system. Swagler (1975) stated the problem succinctly when he said,

As markets have grown progressively larger and more specialized, the consumer's position has grown correspondingly weaker. The same rationale that applies to consumer organization can therefore be applied with equal force to government protection. In terms of countervailing power, the consumer is using the power of government to offset the power of sellers in the marketplace. Therefore, while it is useful to distinguish between government protection and consumer organization, they are really alternative responses to the same problems. Both represent consumers' efforts to come to grips with the realities of the modern marketplace (p. 166).

There are various ways the government intervenes in consumer-business transactions. These will be discussed in the next section. Most of these alternatives are based in enabling legislation which is designed to prevent problems and provide for restitution or punishment (Cohen, 1975, p. 124).

Most consumer legislation has followed a major crisis that helped focus the consumer viewpoint (Lazer, 1973, p. 161). For example, Upton Sinclair's book (1906), The Jungle, dealing with slaughterhouse conditions, prompted the passage of the Meat Inspection Act in 1906. Ralph Nader's book (1965), Unsafe at Any Speed, raised the public consciousness on issues of automotive safety, which ultimately resulted in passage of the National Traffic and Motor Vehicles Safety Act. Silent Spring by Rachel Carson (1962) raised the issue of chemicals and the environment. Awareness of the drug linkage to deformed children resulted in the Kefauver-Harris Amendments to the Food, Drug and Cosmetic Act, which requires that all drugs be tested for safety and efficacy.

Dark Side of the Marketplace by Warren Magnuson (1972) and The Waste Makers by Vance Packard (1960) raised public awareness levels that all was not well in the marketplace and contributed to the climate of the 1960's, which resulted in the passage of 10 pieces of consumer legislation in a decade.

Listed are the legislative acts whose prime purpose is to protect the consumer (Feldman, 1976, pp. 283-286).

1906 Food and Drugs Act

1906 Meat Inspection Act

1914 Federal Trade Commission Act

1938 Food, Drug and Cosmetic Act (Amended 1906 Act)

1939 Wool Products Labeling Act

1951 Fur Products Labeling Act

1953 Flammable Fabrics Act

1958 Food Additives Amendment
1960 Kefauver-Harris Amendment to Food, Drug and Cosmetic Act
1966 Fair Packaging and Labeling Act
1966 Child Protection Act of 1966
1966 Cigarette Labeling Act
1967 Wholesome Meat Act
1968 Consumer Credit Protection Act (Truth in Lending)
1969 Child Protection and Toy Safety Act of 1969
1970 Fair Credit Reporting Act of 1970
1970 Poison Prevention Packaging Act
1972 Consumer Product Safety Act
1975 Magnuson-Moss Warranty/Federal Trade Commission
Improvement Act

As one glances through the titles of these legislative acts, it is a challenge to imagine what business would have done or ceased doing voluntarily, so that passage of these laws would have been unnecessary. Half of the consumer legislation has been passed in the last 15 years.

Bloom and Dholakia (1973) point out that a marketer is engaged in questionable behavior when he employs practices that have been severely criticized by consumerists, economists, and public officials, but which are essentially legal. The continued existence of these questionable behaviors will frequently provoke government action against that behavior (p. 63).

Weiss states that most marketing leaders have only themselves to blame for more government regulation. He says,

It is probable that the top management of many companies will direct their marketing departments to adopt policies and practices more responsive to the public's desires. If this happens, it will help. But in view of marketing's abysmal record to date, I am dubious that it can save itself from substantial extensions of government regulation (1968, p. 18).

Types of Government Intervention

Government intervention in consumer protection falls into three major categories: prevention, restitution, and punishment. Cohen developed a paradigm for the categories (Table 2.2).

Table 2.2--A Paradigm for Remedial Alternatives for Consumer Protection.

Prevention	Restitution	Punishment
Codes of conduct	Affirmative disclosure	Fines and incarceration
Disclosure of information requirements	Corrective advertising	Loss of profits
Substantiation of claims	Refunds	Class action suits
	Limitations on contracts	
	Arbitration	

Note. From "Remedies for Consumer Protection: Prevention, Restitution or Punishment" by D. Cohen, Journal of Marketing, 1975, 39(4), 25, Table 1.

Preventive activities involve spelling out specific codes of conduct such as the Federal Trade Commission is now doing, telling businessmen what they may and may not do in advertising and selling their products.

Much of the major consumer legislation enacted is based on the thesis that the consumer should have sufficient information to facilitate value comparisons in the marketplace. Thus disclosure requirements can help consumers in their decision making as they are better able to make comparisons. Substantiation of claims means that an advertiser must be able to substantiate any claims made in his advertising.

Restitution is defined as "a return to or restoration of a previous state or position . . . the act of making good or compensating for loss or damage or injury; indemnification; reparation" (American Heritage Dictionary, 1973, p. 1108). Cohen points out that historically there has been restitution where competitors were deceived through trade practices. Restitution for consumers is a newer concept and serves to put the buyer in an equal position with the seller.

Affirmative disclosure requires that the consumer be made aware of product limitations as well as good points; thus the consumer is in a better position to make an informed choice.

Corrective advertising is a newer concept now being used by the Federal Trade Commission. If imposed on advertisers, it requires them to devote a percentage (15%) of their advertising budget to make corrective statements. The corrective statements are to counter false impressions left in advertising determined to be deceptive or misleading.

Refunds are another form of restitution. The F.T.C. takes the view that unfairness results when the consumer, as a result

of deception or fraud on the part of the seller, pays for a product or service but receives nothing of value in return or receives something that is either worthless or of token value (Cohen, 1975, p. 27).

To help the consumer out of a potentially negative situation there are now regulations that put limits on contracts. Warren Magnuson stated the situation well when he said,

By signing contracts containing the most inhumane clauses, poor people legally bind themselves into misery. And when they cannot pay or refuse to pay, they find themselves pushed even further into destitution by a legal system which is incomprehensible to them and which has become perverted from a device for protecting the innocent to a means of abetting the dishonest (Magnuson, 1972, p. 35).

The regulatory agencies in the United States were not designed to be punitive, according to Cohen (1975, p. 28); they were created to regulate. They can, however, impose fines if regulations or cease and desist orders are ignored.

The Federal Trade Commission can obtain temporary restraining orders or preliminary injunctions against acts or practices that are unfair or deceptive to consumers and can impose penalties of from \$5,000 to \$10,000 per violation (Public Law 93-153). Both criminal and civil sanctions are available for those who violate the Consumer Products Safety Act.

McHugh (1972, p. 15) points out that most government agencies that receive complaints cannot assess penalties to compensate the injured consumer. Further, she states that the punitive sanctions that government may levy against a business engaging in an injurious

practice are so limited that the seller is often not encouraged to reform.

Class action suits appeared to be one of the most promising recourses for consumers who had a valid complaint, but where the monetary amount was small enough that a lawsuit was not financially feasible. In class action suits similarly injured consumers could join together and file suit on behalf of all consumers who had purchased the product or service. Recent court interpretations that all potential plaintiffs must be notified has greatly limited the feasibility of class action suits as a collective means for consumer recourse.

Success and Failure of Government Intervention

Bureaucracy seems inevitable whenever government gets involved in a problem. Bureaucracy is defined as any administration in which the need to follow complex procedures impedes effective action (American Heritage Dictionary, 1975, p. 177). Jobs may be created and hierarchies built, but for a variety of reasons there is little enforcement. The agency may be underfinanced to carry out its legislative mandate realistically.

The political appointment of a head who basically is against the legislation can greatly mitigate any potential effectiveness. Occasionally those who are supposed to be regulated end up serving on the policy boards as employees, thus protecting their industries' interests, rather than the consumers' interest.

Legislation may be compromised and weakened before it can be passed and may have unforeseen loopholes (Walker et al., 1974, p. 145). Although the loopholes are sometimes accidental, they may be deliberate in that once a specific industry realizes legislation is inevitable it sends in its lobbyists to help write the legislation. Or, those with vested interests may get a congressman to sponsor an amendment that guts the intent of the legislation. Such special interest groups are able to focus on a single issue and to bring pressure on government to ensure that public policy reflects their views (Swagler, 1975, p. 167). Swagler states that consumers usually lack both organization and a single-minded goal and are, therefore, in a more difficult position to get their viewpoint across.

Walker et al. (1974, p. 144) state that while there appears to be a growing faith by consumers in government's ability to solve consumer problems, many consumer advocates are aware that new laws do not always represent new solutions. Hustad and Pessemier (1973, pp. 319-324) found in their study that consumers opted for government intervention and control when presented with questions on the interface between government and business.

McHugh provides a good example of how a government agency ends up protecting industry interests rather than consumer interests (McHugh, 1972, p. 15). She cites the charge given to the Interstate Commerce Commission (a) requires motor carriers to maintain insurance to cover . . . damage to goods, and (b) under the Truth-in-Lending Act of 1968, requires that I.C.C. supervised carriers, when

acting as creditors, inform their customers of all conditions of a credit arrangement. McHugh points out that, ironically, movers seldom grant credit to a family being moved and in fact most require the bill be paid in full in cash before the mover will even unload the goods. The net result is that the consumer has little leverage in getting damage claims adjusted.

Peterson (1974) takes a very negative view of any government regulation as does Friedman. Both feel competitive forces are adequate protection for the consumer.

Swagler raises a broader issue when it comes to government intervention.

Does a particular policy tend to sustain consumers in the marketplace by helping them cope with its size and complexity? The policies that qualify under this rule are those that bring the consumer the advantages that other groups in the economy enjoy (Swagler, 1975, p. 168).

There are examples of successes also. There has been a drastic reduction in the number of complaints on door-to-door sales since the legislation providing for a 3-day cancellation period has been in effect (Council of Better Business Bureaus, 1976).

Other successes have been in the area of credit terms and access to credit ratings, more informative food product labeling, clarity of warranty terms, and in pre-testing of drugs for safety and efficacy before marketing.

One of the weaknesses of federal rule-making is the lack of input from consumers. The federal agency decision process revolves around publication in the Federal Register, a publication rarely read by consumers. Consequently, there is often little input from



consumers themselves. Most of the input comes from businessmen affected by proposed regulations. This conclusion was verified by the students working on the American Marketing Association White House Internship Program (Cox et al., 1969, p. 159).

Business Responsibility Literature

The Marketing Concept

The marketing concept, adopted by many businesses in the 1960's, should eliminate many consumer problems according to Udell (1974, p. 88). The marketing concept is a philosophy of business which recognizes that consumers' want-satisfaction is the key economic and social justification of a firm's existence (McNamara, 1972, p. 9). When more firms implement this philosophy there should be less conflict between corporations and consumers. Stidsen and Schutte (1972, p. 22) point out that "the issue behind the rise of consumerism is not the spirit of the marketing concept, but its operational application."

Blum, Stewart and Wheatley (1974) conducted a study of the corporate response to consumer affairs. They were able to identify the specific types of consumer complaints in various types of industry (Table 2.3).

Aaker and Day effectively summarize the business dilemma in their statement:

Complicating the decision making process are ethical considerations--standards which can result in costly self-imposed constraints on decisions. Ethical considerations assume importance when decisions must be made in the gray areas between what is legally permitted and what is morally and

ethically wrong. There is a decided tendency in marketing to use the words "legal" and "honest" interchangeably (1972, p. 119).

Table 2.3--Consumer Affairs Problems Ranked as Critical or Highly Important by Industry Type.

Industry	Problem
Manufacturers of durable and semi-durable goods (automobiles, television sets, appliances, tires, etc.)	Product repair, production, and delivery
Food processors (cereals, dairy products, bakery mixes, soft drinks, etc.)	Information flows to and from consumers, product formulation, and executive attitudes
Retailers (food, soft goods, petroleum)	Attitudes of executives and sales personnel, product performance, and information flows to consumers
Services (airlines, banks, insurance, federal government service)	Employee attitudes, service delays, and consumer expectations
Associations (apparel, pharmaceutical, financial, insurance, appliance)	Consumer knowledge and expectations, product design, and executive attitudes

Note. From "Marketing Behavior and Public Policy: Some Unexplored Territory" by M. L. Blum, J. B. Stewart, & E. W. Wheatley, Journal of Marketing, 1973, 38(2).

Positive Consumerism Attitudes by Businessmen

There are those in the business sector who recognize a need for increased business responsibility, such as Koch (1967), Holton (1967), Gray (1972), and Sawyer (1973). Koch (1967, p. 18) feels that business responsibility to protect the consumer is greater today

because of the remoteness between the producer and consumer, the greater variety of products available, and the innovation of extremely complex products. This view is similar to Holton (1967, p. 17), who feels consumers have a more difficult time making choices when frequency of purchase is low, performance characteristics are not apparent, and technological change is rapid.

Scott and Lamont (1973, p. 244) feel many consumers are powerless in their dealing with the business system. They define powerlessness as an individual's belief that he has no control over the products, prices, retail outlets, salesmen, repairs, and quality of communications.

Gray, former Chairman of the Board of Whirlpool, states that consumerism requires the corporation to come up with a new order of priorities and self-expectations and a recognition that consumer satisfaction is of paramount importance (1972, p. 22). Cooperation by business can prevent some ill-conceived solutions, according to Sawyer (1973, p. 17). He states that corporations often have the opportunity to shape a developing situation by aiding in drafting a necessary regulation before public anger forces a punitive solution.

Lazer (1973) points out that responsiveness by business may manifest itself in terms of self-regulation, new decisions, policies, and organizational adjustments. Wallich (1972), writing for Newsweek, states that business deals with the quality of life, with the environment, with the people involved in producing them all day long-- why should a remote government do better? If business turns its

back upon the critics, according to Wallich, the critics will turn to Washington.

Hollander (1973) points out that what the consumerism movement has asked for in the past now seems highly reasonable and quite consistent with what reputable retailers would also advocate. He states that meaningful information, better sanitation, and satisfactory repair service are not outrageous demands.

Negative Consumerism Attitudes by Businessmen

Some try to escape responsibility for consumerism issues by stating they are outside the marketers' responsibility or do not really exist at all. Stidsen and Schutte (1972, p. 24) state,

It is not marketing's responsibility to decide whether detergents should or should not contain phosphates, and whether children's toys should or should not be made to last for generations . . . these are partly production issues and partly problems of consumption management. Whether they should or should not want these or other product characteristics is not a marketing issue.

Some anti-consumerism businessmen tend to blame consumerists for the movement. Broffman (1971) questions, "Is it possible that consumer spokesmen are third parties to an issue, and represent neither the buyer or seller but only themselves and their own objectives?" (p. 19). He further states that some consumer spokesmen tend to have no awareness of higher costs, and the possible unwillingness of consumers to pay more for the value received by a given protective measure. Broffman claims consumerists have good intentions, but over-simplify the problem.

Morin (1971) is another who questions the validity of the whole consumerism movement. His view includes statements such as, "the complaint letters may represent an insignificant proportion of the population . . . the validity of many of these complaints also can be questioned" (p. 49). He further states that consumers are complaining to government instead of to the manufacturer. Those working for consumer agencies would tend to disagree as the majority of the respondents resort to a government agency only after they have repeatedly and unsuccessfully tried at the retail and manufacturing levels. Morin also states that the consumer is not particularly disturbed about the quality of advertising and concludes that the consumer is in fact obtaining the information needed for purchase decisions. He cites no research to support his statement, but there is research that refutes it (Bazda, 1974). Morin places much of the blame for the resurgence of consumerism on politicians, claims it is an emotional antidote for inflation, and is a result of the discrepancy between pre-purchase expectations, resulting from expectations rising faster than product quality (1971, p. 50).

At no point does Morin recognize that the rise of consumerism may have had validity because of genuine product and service problems.

From a study of consumer package goods manufacturers, Kendall and Russ (1972) concluded that the response to overt consumer dissatisfaction is generally good, but that many choose to ignore--or do not fully appreciate--the magnitude of customer dissatisfaction with their products, and have not formulated adequate policies and procedures to deal with it. They point out that in

situations such as lower priced food packaged goods, the low level of complaints reaching the manufacturer should not be confused with lack of problems. In the case of low ticket items, Kendall and Russ state that the tradeoff between consumer effort and the expectation of a satisfactory response is heavily weighted in favor of taking no action (1975). They point out that properly designed warranty and complaint-handling policies will increase communication from consumers. Low complaint ratios should be sources of concern rather than pride, as it may be that not enough dissatisfied customers are complaining.

Kendall and Russ cite the Nielsen study, which revealed only 2% of the consumers who had complaints about defects in a packaged good complained to the manufacturer. The Nielsen study also pointed out that consumer complaints are not merely something to be endured; they can serve as a valuable guide to necessary product improvement, and often represent a need not yet felt.

The Changing Warranty and Liability Scene

Benningson and Benningson (1974) point out that changing consumer expectations, new laws, and recent court decisions regarding product safety and product liability have considerably altered the traditional rules of the marketplace. They cite several landmark court cases that have had significant impact on warranties, contracts, and liability. They summarize the manufacturer's responsibility as follows:

Since the manufacturer's responsibility for the product does not end at the time of sale, management should anticipate the range of changing conditions to which the product will be subjected and account for these conditions in design, manufacture, consumer education and other phases of total product history (1974, p. 123).

Until the passage of the Magnuson-Moss warranty legislation, few firms voluntarily wrote their warranties so consumers could understand them. To many businessmen, warranties were merely legal disclaimers of their responsibility (Berens, 1971). The consumer's conception of a warranty is what the manufacturer will do for him in the event of product failure or defect. Some warranties have high secondary costs to the consumer in time, energy, and psychic costs (Berens, 1971). If warranties had to include the indirect costs to the consumer, as well as the direct cost of servicing, there would be greater attention to product quality. Berens concluded that the consumer should take the attitude that the best warranty is the one he never has to use.

Kendall and Russ (1975) state that manufacturers should provide an express warranty on products, packages, and promotional material. In their view such an express warranty would encourage legitimate complaints, reduce the risks that consumers perceive in purchasing the product, and provide product differentiation. The warranty, they state, should not be hidden or obscured by legal terminology nor, unless absolutely necessary, be used to limit responsibility. Emphasis should be on the reason for dissatisfaction, not proof of purchase. Response should be appropriate, prompt, and personal.

Arbitration as a Solution

Arbitration of consumer complaints has been set up by several industries. One of the pioneer and most successful programs has been the Major Appliance Consumer Action Panel, known as MACAP. It was founded in 1970 as an appeals board for consumers in their dealings with appliance marketers, service agencies, and manufacturers (Fetterman, 1974). It is sponsored by three industry organizations: The Association of Home Appliance Manufacturers, Gas Appliance Manufacturers Association, and the National Retail Merchants Association.

The panel functions independently of its sponsors using impartial consumer representatives who volunteer their time to evaluate complaints. The recommendations of these volunteers are considered by the committee. The panel considers only those cases where the consumer has already unsuccessfully attempted problem solving with the retailer and manufacturer. In 1974, 89% of all cases filed were satisfactorily resolved (MACAP, 1976). Over 15,000 complaints were handled in the first 5 years of panel operation. Only 6.4% of all complaints received by MACAP were classified as unjustified by the impartial panels of arbiters.

In 1975 the Council of Better Business Bureaus computerized their complaint records so the nature of complaints and the type of industry causing the specific complaints could be identified (1976). The latter efforts should be helpful in developing recommendations to prevent complaints. They have also attempted to self-police advertising, which is a contributing cause of consumerism. As E. P. Cox

stated, "It isn't necessary to make illegal claims to cause people to become disenchanted. . . . It can be done by minor deception, exaggeration, distortion and insincerity" (1973, p. 35).

During an interview, Edwin Bladen, Assistant Attorney General in Charge of Consumer Protection for the State of Michigan, stated his view that arbitration would increasingly be used in consumer complaint resolution.¹ He cited cases where it had been successfully used as part of settlement terms (Wexler, 1973).

C. Lane Breidenstein, Executive Director of the Better Business Bureau of Metropolitan Detroit, stated a similar view during an interview.² The Better Business Bureau of Metropolitan Detroit has been experimenting with arbitration in some specific complaint areas. He reported some initial skepticism on both sides, but it has been successful when tried.

Product Testing

More retailers are setting up and expanding their consumer Product testing facilities. Major retailers such as Sears and J. C. Penney have had extensive facilities for testing products to see that delivered items coincide with specifications and product labeling. The S. S. Kresge Company included testing laboratories in their new international headquarters in Troy, Michigan, and have expanded their testing program. These testing facilities can be classified as ways of preventing consumer complaints. As retailers

¹Author's personal interview, July, 1975.

²Author's personal interview, September, 1976.

insist on better quality and performance in the merchandise they purchase at the wholesale level, the fewer the complaints there will be at the retail level.

Better Communication

Some writers speak to the issue of improved two-way communication as a partial solution to consumer problems (Leather, 1972). Leather says that features such as hot lines to corporate headquarters so consumers can vent their frustration and the encouragement of letter writing by customers dissatisfied with products or services are a recognition by business of the growing countervailing power of consumers.

Until recent years communication was mainly one way--from the corporation to the consumer. Thousands were spent in market research but little effort was expended to determine what current consumers thought about their products. As Kendall and Russ (1975) pointed out, letters from users can provide valuable feedback to the manufacturer.

Consumer Education Literature

Definition of Consumer Education

The purpose of consumer education is to help each student to evolve a personal value system, develop a sound decision-making procedure based upon these values, understand rights and responsibilities as a consumer in our society, and fulfill an individual role in directing a free enterprise system (President's Committee, 1970).

Uhl classifies consumer education into four categories:

1. Investment in developing and clarifying consumer values and enhancing capabilities for satisfaction from consumption.
2. Investments in the managerial and decision-making capabilities of consumers.
3. Investments in consumers' knowledge of markets and product alternatives.
4. Investments in consumers' knowledge of economics, market processes, and abilities to change market performance (1971, p. 107).

A less sophisticated, but very direct, definition is that of Troboff and Boyd (1976), who define consumer education as "learning how to gain satisfaction by using your personal and environmental resources to achieve the lifestyle you prefer" (p. 12).

Positive and Negative Attitudes Toward Consumer Education

While many professionals feel consumers can maximize their real income by making choices according to their values and with adequate information, there are others who disagree.

Seitz (1971), Uhl (1971), and Scherf (1974) all take dim views of consumer education. Seitz, for example, takes a negative view as he feels education cannot balance the power of buyers and sellers. Consequently, he states that other low-cost means such as unit pricing, accurate labeling, product safety requirements, and class action suits must be found to balance the power of buyers and sellers.

Uhl (1971) takes a negative view of consumer education from a cost-benefit perspective. He points out that the costs of consumer

education and legislation differ and that legislation and regulation appear to be less expensive than education for many consumer problems. He questions the return on investments in consumer education.

Scherf (1974) raises other issues related to consumer education. Is risk an undesirable element to be eliminated? Should we take a return on investment approach? Or, should efficiency be measured by the amount of money left over after the consumer has met his needs and wants? He rejects all of these because he sees consumer dissatisfaction as a result of a lack of interpersonal need satisfaction.

Both Scherf (1974) and Seitz (1972) point out the weakness of consumer education that falls within the definition of consumer information or buymanship. Such education is geared to greater efficiency in the marketplace. Seitz feels it is an inefficient means to a desired end. Schert states that part of the problem in identifying and researching the value of consumer education comes from the lack of reference points. From a sociological view, an individual's performance could be measured by the extent to which his personal style of consumption reflects a concern for the welfare of others in society or the environment. If this criterion were used, efficient consumption would be a function of an individual's ability to adjust personal needs to the needs of others so as to minimize any possible adverse effects of this consumption.

Scherhorn and Wieken (1972) point out that the consumer obtains neither sufficient nor accurate market information before buying. This is one of the reasons the balance of power in the

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marketplace is regularly unbalanced in favor of the producers. The market power of a participant in a market is the measure of the ability, in an exchange situation, to increase personal real income at the expense of the real income of the other participant.

Udell takes a positive view. He points out that

Consumer education can improve our decision-making, sharpen competition in the marketplace and otherwise increase the satisfaction to be derived from any given level of consumption of goods and services. It can do so at a substantially lower cost to society. For consumer education does not involve new costs, it involves the transfer of costs from inefficiency to education (1974, p. 91).

Maynes also takes a positive view of the payoffs of consumer education (1976). He states that consumers are a prime component of our economic system and because it is a system, with its inherent rules, the payoff from an early understanding of broad economic rules can be great. He feels these payoffs come in the form of lower prices or better quality that consumers can obtain through effective decision making.

Is There a Need for Consumer Education?

The identified need for consumer education is not new. In 1912, Mitchell wrote an article in which he stated, "Ignorance of qualities, carelessness about prices--faults which would ruin a merchant--prevail in our housekeeping" (p. 25).

In spite of Uhl's over-all negative approach to consumer education, discussed in the previous section, he does state that it is one of a set of tools for protecting the consumer (1971). He states, "The nature of the costs and returns, to both public and

private investments in consumers, warrants a blend of consumer education, protection and competitive market forces for promoting consumer welfare" (1971, p. 101).

Anderson states that what is needed is a source of information that cuts through the complexities faced by the shopper in today's marketplace. Such information should be up-to-date and be comprehensive about the product alternatives (1971, p. 124).

In the introduction to Suggested Guidelines for Consumer Education, Grades K-12, put out by the President's Committee on Consumer Interests (1970), the following statement is included:

Our free enterprise system has provided the consumer with a greater choice in the marketplace than any other consumer, as evidenced by a walk through any supermarket. He can demand and get services that make life more convenient for him: self-service, credit cards, drive-in facilities, and one-stop shopping.

However, it is also a confusing time for the American consumer. He is often lost in the perplexities that have resulted from our progressive economy. Products are more complex and are frequently hard to evaluate or repair. It may be difficult for the consumer to obtain remedies or to resolve a problem which he feels is not justifiably of his own making.

In addition, our population is more mobile. Consumers have less opportunity to know the firm with whom they trade or may be miles away when a question or a problem arises.

The marketplace is more impersonal today; many consumers feel intimidated by modern marketplace operations. It is not always easy to determine who is responsible for a problem or to know where to go for help. Neither is it always easy to distinguish between honest and reputable practices in the marketplace and those that are unethical and fraudulent.

Tootelian (1975) points out a need for consumer education in the area of legislation. He states that while some consumer laws suffer from enforcement problems or punishments for violations that are too small to be effective deterrents, the major concern is that

the laws are not oriented to those who need the protection the most. Tootelian states that this is especially true of statutes which require consumers to take the initiative when seeking redress for fraudulent or deceptive marketplace practices. This, he feels, requires that the consumer have enough knowledge of the legal system and be willing to use it. His research found that respondents in the low-income areas had the least knowledge of the law. He concludes that, in the long run, extensive efforts need to be made to educate consumers about the various laws that are available and to show them how these laws can be used to their personal benefit.

A different approach comes from Brown (1973), who states that we should not assume that the consumer is rational. He points out that all consumers are different and have varying information needs. He suggests we determine what needs to be known and how best to communicate this to various groups of consumers. Holton (1967) points out that given the time allocation problem faced by most consumers, what is needed is not so much more information, but more information presented in a manner facilitating price and quality comparisons (p. 17).

Bymers (1972) states that we had better quit kidding ourselves that simply requiring that information be on a label or in an ad is of itself going to improve the market (p. 62). She cites the continuing decline in the nation's nutritional status in spite of labeling. There needs to be an educational component to make the information provided useful.

The Present Status of Consumer Education

Many school districts are now offering courses in consumer education, either as a separate course or as units integrated in other courses. One of the weaknesses in consumer education has been the difficulty in training teachers who are competent in the many facets of consumer education. Some Part F Home Economics Funds from the Vocational Education Acts have been used for consumer education at the secondary level. Also, the Consumers' Education bill provided funds for community consumer education projects.

Some efforts have been made to determine what competencies are needed to function as a consumer (Wayne State, 1976). The Michigan Department of Education, for example, funded a project known as PACT (Pupil Achievement and Consumer Teaching). This interdisciplinary project involved developing competencies and performance objectives. They were developed by a team of teachers from social studies, business, distributive education, and home economics. Subject matter experts from business and education were brought in as consultants. Since the project is currently being pilot-tested, it is too early to evaluate its effectiveness, but it does appear to be a positive step in identifying competencies (knowledge, skills, and attitudes) essential to functioning as a consumer.

Armstrong and Uhl (1971) completed a study of consumer education programs in the United States under a grant from the United States Office of Education. They found a trend to introducing a new course in consumer education, but found most schools were

integrating it with traditional subjects. On the whole, they found little evidence of over-all planning and coordination of the education of the consumer among the curriculum areas.

North Dakota State University, also working on a United States Office of Education contract, has developed consumer education curriculum modules that are flexible enough to be adapted to various groups (Murphy, 1973).

One of the difficulties for those preparing teachers for consumer education is the wide range of concepts which come from a variety of disciplines. Another complication is that laws are not uniform so each state must have its own text on consumer laws. Rothchild (1976) states that business operates under a fairly uniform set of statutes nationally, yet consumer law varies from state to state. He discusses the need for more uniform consumer legislation among the states (1976, Chap. 18).

Another difficulty in teaching consumer education is identifying the teachable moment. Is it while the student is still in elementary or high school, often long before he needs the information? Or, is it to be provided at the point in time when he needs it?

Bloom (1976) feels that consumer educators could benefit from working more closely with marketers. He points out that in the past consumer educators have had a tendency to see those in the marketing profession as the enemy. He feels consumer educators could be more effective if they would work with the marketing profession. Marketing practitioners and academicians can assist

consumer educators by providing consumers with advice on how to utilize marketing techniques to make them more effective buyers.

Business and Consumer Education

Consumer education is not limited to the formal classroom, however. It is done through mass media and business communication. Esther Peterson, who joined Giant Food, Inc., after serving as the first Special Assistant for Consumer Affairs at the White House, stated she felt business could have effective consumer affairs departments that could help educate consumers. She cautioned that such departments should be charged with working to change the marketplace for the good of consumers, not with educating them on how to cope with the marketplace as it is (1974, p. 101). Some business firms that market consumer products have employed home economists for many years. The basic function of the business home economist as an interpreter of consumer needs to her company was underscored in the research by Clemens (1971).

Jones (1976) sees consumerism as an opportunity and not a threat. She states that home economists in business have traditionally written use and care manuals, conducted product tests, handled consumer complaints, and similar activities. Many are now taking graduate work in business management, economics, and accounting and moving into managerial positions where they can have greater influence. Harries states that because of their special knowledge, training, and commitment, home economists are in a unique position to help bridge the communication gap between consumers and industry (Harries, 1971, p. 24).

Aaker and Day (1972) point out that business is a prime source of consumer education; thus products and supporting communication by business need to be carefully scrutinized to see if they actually provide the consumer with real utility and useful information. Herrman (1971) also feels consumers need to be given more information. He states that "as a profession marketing seems unconvinced that consumers have any real need for more information, much less a right to it" (p. 87). In his view this attitude needs to change.

Research

Economists' studies of consumer demand have focused primarily on consumption functions, in the aggregate and for particular products (Holton, 1967, p. 15). Those in market research have concentrated on the economic and behavioral factors determining demand for specific products. Holton points out that only incidentally, as a by-product, has any light been shed on public policy issues in the discussion of consumer legislation.

The Barksdale and Darden Study

Barksdale and Darden (1972), using a questionnaire mailed to a national sample of 376 consumers, attempted to determine consumer reactions to specific business policies and practices. In analyzing their data, they grouped the Likert statements into categories: philosophy of business, product quality, advertising, consumer responsibilities, consumerism, government regulation, and other marketing activities.



The Barksdale and Darden study revealed no significant differences in attitudes by sex, family size, occupation, home ownership, geographic location, and city size. Age and political predisposition revealed definite association with some statements. They found younger respondents expressed less confidence in the competitive system and greater skepticism about the benefits of advertising. The younger respondents also indicated greater uncertainty about the dependability of advertised products and less confidence that advertising represents a true picture of the products advertised. The majority of the younger respondents (70%) disagreed with the statement that consumer problems are relatively unimportant, while less than half (47.5%) of the respondents over age 55 expressed the same opinion.

A greater percentage of the young felt that procedures for handling consumer complaints were unsatisfactory (70%) and that consumer exploitation deserved more attention than it presently received (81%) and that more government regulation is needed (77%).

Respondents in all classifications showed support for additional government regulation as a means of solving consumer problems. Barksdale and Darden drew the conclusion that, in spite of criticism of government policy, the respondents were more confident in government enforcement than in voluntary business efforts.

Barksdale and Darden interpreted their data to indicate that consumers did not appear to understand that government intervention will not solve all consumer problems and will not prevent the type of problem created by consumers who are unwilling to accept

their responsibilities in the marketplace. This writer feels that some of the statements classified in their study as "consumer responsibilities" were really not appropriately placed under that category. For example, they included such statements as, "The problems of consumers are less serious now than in the past" and "The problems of consumers are relatively unimportant when compared with the other questions and issues faced by the average family."

Consumers were quite critical of business attitudes toward consumers. Over 50% disagreed with the statement that manufacturers seldom shirk their responsibility to the consumer, while only 21% agreed. Similarly, 74% agreed with the statement that "Most manufacturers are more interested in making profits than in serving consumers," while 14% disagreed.

The Hustad and Pessemier Study

Hustad and Pessemier (1973) conducted a study of the feelings, predispositions, and behavior of consumers who are activists as compared to those who were more passive, tolerant, or satisfied people.

The study, done in Lafayette, Indiana, in 1970, involved a demographic cross-section of 912 women. It used a series of 115 semantic differentially scaled variables covering multiple dimensions of consumers' feelings toward business and marketing practices.

Hustad and Pessemier (1973) categorized their respondents into three categories: pro-business (42%), anti-business (18%),

and mixed or indifferent (40%). Their findings show the pro-business consumer is at the lower end of the socioeconomic scale, strongly oriented to family and friends, comfortable in service roles, and holds conservative views. Anti-business groups had the highest occupational status and educational levels. They tended to read more and purchase different types of products.

The anti-business cluster (18%) indicated that attitudes unfriendly to business had achieved wide acceptance among the educated/activist element of society. The anti-business group did not feel business was responsive to the consumer, honest, or provided products and services of high quality.

Greyser and Reece Study

Greyser and Reece (1971) replicated a study originally done in 1962 by Greyser on businessmen's attitudes toward advertising. The mail questionnaire, sent to a cross-section of 10,000 Harvard Business Review subscribers, yielded 2,700 usable responses.

The businessmen agreed more strongly than in 1962 that advertising had an unhealthy influence on children and that it persuaded individuals to buy things they might not need. Less than a third of the respondents thought that advertisements presented a true picture of the product.

Most businessmen believed that there was a definite need for a code of ethical procedures in advertising and if such a code did not work then government regulation would become necessary.

Swan and Longman Study

Swan and Longman (1973) studied consumer opinions about automobile repairs, the nature of protective devices offered the consumer by the automotive industry, the marketplace, and government intervention.

Their sample was drawn from automotive purchasers in Austin, Texas. The study involved a combination of mail and personal interviews. It confirmed a relationship between number of repairs and satisfaction, with more repairs being associated with less satisfaction. Less satisfaction was also associated with lower levels of agreement concerning the industry as a source of consumer protection.

Swan and Longman found that even consumers who were generally satisfied with the product and service were still in agreement with statements favoring government intervention. Nearly 75% of the respondents agreed with the statement that the government should set and enforce automotive quality standards. Over 50% felt there should be a 2-year warranty covering automobiles and 67% felt the government should provide more information about auto quality. Their summary of three government intervention questions indicated 64% favored government intervention and 28% did not.

Opatow Study

Opatow (1973) investigated consumer awareness and attitudes toward open-dating of products, nutritional labeling, and pollution in telephone interviews to a cross-section of households in the

Philadelphia area. There were 407 interviews completed in this study, which the researcher described as preliminary.

The researcher concluded that open-dating of products was considered desirable by consumers. Consumers wanted more, not less, information on packages. Further findings indicated an awareness of the role of the individual in pollution control through selection and use of products packaged in various ways.

Gazda Study

Gazda (1973) did a mail survey that compared the attitudes of 171 businessmen, 171 consumers, and 102 consumerists in the Phoenix, Arizona, marketing area. The respondents indicated the agreement or disagreement with 25 Likert-type statements covering five areas of consumerism: product safety, advertising, government protection, product information, and the environment.

Findings showed that consumers' attitudes toward government protection were midway between the attitudes of businessmen and those of consumerists. Consumerists and consumers held similar views toward environmental issues. The study also showed that consumers desired more and better information and did not regard advertising very highly. Consumers in this study did not support government protection to the degree found in the literature, according to Gazda. It should be noted that Gazda used parametric tests (F tests, Newman-Kuels method, and Pearson's product-moment correlation), on data that are ordinal in nature, to arrive at significance.

Greyser and Diamond Study

In a mail survey of 3,418 business managers, Greyser and Diamond (1974) found most were willingly adapting to consumerism. Specifically, over 84% felt consumerism was here to stay and were adopting a number of practices to alleviate problems. Most of the businessmen put the primary responsibility for providing adequate information to consumers on business. Over half of the respondents (58%) felt government should protect consumers from abuses such as fraud and deceit and 83% felt consumers should protect themselves and buy according to their own views of appropriate buying priorities. Only 7% felt the government should try to protect consumers from themselves.

LaBarbara Study

Using a mail questionnaire, LaBarbara (1976) compared the characteristics of consumers who had participated in Federal Trade Commission procedures to a group of non-participants. The demographic data show the participants were over-representative of the affluent, highly educated working in corresponding occupational categories.

Those who had participated in rule-making procedures were more negative on three marketing concepts: product quality, adoption of a consumer orientation by businessmen, and advertising. They were more positive toward government regulation, except price controls. They came out more positive toward the effectiveness of consumerism.

Dornoff and Tankersley Study

Dornoff and Tankersley (1975) did a study on the attitudes of 187 consumers and 40 retailers toward appropriate actions to be taken in market transactions. The researchers compared attitudes on 14 scenarios using a Likert scale. Responses of consumers and retailers were significantly different in 12 of the 14 situations.

Dornoff and Tankersley found that the perceptions of retailers and consumers toward actions taken in frustrating situations were different. They concluded that retailers needed to re-examine their objectives and seriously attempt to create a better balance between consumer satisfaction and profitability.

Thomas Study

Thomas (1974) explored the relationship between the attitudes of consumers toward concepts related to consumer protection and selected demographic, socioeconomic, and psycho-political variables. Thomas compared attitudes of Canadian and American car purchasers.

The research showed the attitudes of a large majority were highly favorable toward consumer protection concepts. Attitude differences were generally not explainable on the basis of the demographic, socioeconomic, or psycho-political variables studied. Canadian consumers had more favorable attitudes toward the government deciding what safety features should be on cars than did Americans. Americans, Thomas found, were more knowledgeable about the origin of safety features.



Summary

After reviewing research related to the topic of consumer complaint prevention and resolution, several areas where further information is needed can be identified. There are studies that provide general attitudes toward business or government, but little research to provide attitudes toward specific actions to prevent or resolve consumer problems. This research replicated work of some others who have measured general attitudes toward government and business. It also provided new data on attitudes toward specific actions that business and government might take as well as exploring attitudes toward consumer education concepts.

CHAPTER III

RESEARCH DESIGN AND METHODOLOGY

This chapter includes a discussion of the research methodology, the sample, the hypotheses, and the statistical techniques chosen to analyze the data gathered.

Research Methodology

In this study an attempt was made to measure consumer attitudes toward the resolution and prevention of consumer complaints through the use of a Likert-type scale and a mail survey instrument to a cross-section of urban respondents in five states.

Survey

A mail survey was decided upon as a larger sample could be obtained that would be more representative of the population, than would be feasible with personal interviews. A mail survey allows the individual to be more free to express his or her own views as it is completed in the privacy of the respondent's own home, without the presence of an interviewer. The disadvantage of the mail survey is that it may be less representative because of the unique characteristics of those who choose not to return the questionnaire. There is no way statistically to compensate for this type of bias.



Measuring Attitudes

An attitude is a relatively enduring organization of beliefs around an object or situation predisposing one to respond in some preferential manner (Rokeach, 1970, p. 112).

The survey technique is the most common method of ascertaining attitudes (Babbie, 1973). Likert developed a summated rating scale in the 1930's that has become so well accepted that it is known as the Likert scale. Attitude scaling tests confront the respondent with a number of provocative statements and request an indication of the extent to which the individual approves or disapproves of them (Wentz, 1972, p. 266).

Likert in his original article on summated scaling, written in 1932 and reprinted in 1974, pointed out some key factors that must be considered when developing an instrument for use with a Likert scale. It is essential that all statements be expressions of desired behavior and not statements of fact. He suggested the use of the word "should." Each proposition should be stated in clear, concise statements in the simplest possible vocabulary, avoiding double negatives, double-barreled statements, and ambiguity. He further stated that modal reaction to any statement should be approximately in the middle of the possible responses. Different statements should be worded so that about one-half of the reactions fall at one end of the continuum and the other half fall at the other end (Likert, 1974, p. 235). Last, he states that if multiple-choice statements are used, the different alternatives should involve only a single attitude variable and not several.



As much as possible, these guidelines were followed in the development of the instrument for this study. There were several exceptions that are discussed later in the questionnaire section.

Sample

The population studied consisted of consumers in five cities in the United States. U.S. Census data (1975) were studied to determine areas that had diverse educational levels, incomes, occupations, and rates of unemployment. Geographical location and availability of current mailing lists were also considered in the final selection of cities. The cities selected were Denver, Colorado; Atlanta, Georgia; Detroit, Michigan; Kansas City, Missouri; and Seattle, Washington.

Those who received the questionnaires were randomly selected from the occupational mailing lists available from the R. L. Polk Co., a research publishing house. Names were generated by computer with each occupation being represented in the sample in the same proportion that it occurs in the population. The lists contained names, addresses, and occupational codes. With a sample proportional to the population there is a better chance of having a sample with the same demographic characteristics as the population. Since occupation is usually correlated with income and education, this sampling method provided representation in the various demographic categories.

The sampling was done in waves following an initial mailing of 100 to each city. Initial returns were compared to the population so that later waves and follow-up mailings could offset

under-representation of certain occupation and income groups. Initial returns were from the more educated and affluent; thus second and third waves, as well as follow-ups, eliminated the higher income occupations.

A total of 735 questionnaires were mailed out during July and August, 1976. Deleting those that were returned for non-delivery, the return rate was 33%. There were 224 surveys returned, 223 of which were usable. The return rate may have been affected by the length of the questionnaire, considered long for a mail survey to a non-specialized audience and where there is no ego-involvement (Wentz, 1972, p. 183).

The over-all return rate ranged from 22% in Atlanta, Georgia, to 41% in Seattle, Washington. This variance in return rate is partially explained by the varying degree of currentness in the mailing lists, although other factors such as over-all educational and income levels may have been contributing factors.

In the sample, income was distributed in each category within 3% of the population (Table 3.1). The range of occupations represented in the sample was close to the population with several minor deviations, some of which could be accounted for by the difficulty in making exact category classifications from the data provided by the respondents (Table 3.2). The major differences came in that the U.S. Department of Labor does not consider "housewife" to be an occupation, thus does not include it as an employment category. Since views of women were considered as important as men in this study, women were encouraged to respond to the questionnaire that

Table 3.1--Income Characteristics of the Sample and the Population.

Income	Sample %	Population %
Under 5,000	14.8	13.0
5,000 - 9,999	20.8	22.6
10,000 - 14,999	21.3	24.3
Over 15,000	43.0	39.8

Population income from U.S. Bureau of Census, Current Population Reports, Series P-60, No. 97, "Money Income in 1973 of Families and Persons in the United States," U.S. Government Printing Office, Washington, D.C., 1975.

Table 3.2--Occupational Classifications of the Sample and the Population.

Occupation	Sample %	Population %
Professional-Technical- Managerial-Administrative	27.2	26.0
Sales-Clerical-Craftsman	41.9	38.3
Operatives-Housewives	30.9	35.5

*Housewives are not included in the U.S. classification of occupations. For purposes of this study housewives were classified as service workers.

Population occupations from U.S. Bureau of the Census, Statistical Abstract of the United States: 1975 (96th edition). Washington, D.C., 1975.

arrived at their homes. Returns from housewives were classified as "service workers" for cross-tabulation purposes, as this category includes those working in private domestic service, according to the U.S. Labor Department.

Those in professional, technical, managerial, or administrative positions accounted for slightly more (26.8%) of the sample than the population (23%) (Table 3.2). Those in clerical, sales, or skilled trade occupations were similarly represented in the sample (27.3%) as in the population (40.7%). Those in service occupations and non-skilled operatives accounted for a smaller proportion of the sample (29.6%) than the population (35.8%) (U.S. Census, 1975). Occupational categories were collapsed, by recoding, to reduce the total number of cells for cross-tabulation purposes.

The sample appeared normally distributed for age with only slight deviations from the population. The over-55 age group was slightly over-represented, while the 35-54 group was slightly under-represented (Table 3.3). The high return rate in the over-55 group may be explained by the fact that they had more time in which to complete the questionnaire.

The sample reflected the population in regard to sex categories since adult women currently outnumber men. The sample had 48.6% male respondents and 51.4% female respondents.

The single were over-represented in the sample with a 25.7% representation compared to 19.6% for adult males and 13.8% for adult females. The sample corresponded to the population for the number

Table 3.3--Percent Distribution by Age for Those in Population Over 20 and Those in Sample.

Age Categories	Sample %	Population %
20 - 25	16.7	20.7
25 - 34	19.5	18.1
35 - 44	12.2	17.8
45 - 54	13.1	15.8
55 - 64	20.4	13.2
65 and Over	18.1	14.4

Population percentages computed from data base in The Conference Board, A Guide to Consumer Markets. New York: The Conference Board, 1974.

Table 3.4--Marital Status of Sample and Population.

Marital Status	Sample %	Population	
		Male	Female
Single	25.7	19.6	13.8
Married	56.4	74.8	68.5
Divorced-Widowed	17.9	5.6	17.7

Population marital status from The Conference Board, A Guide To Consumer Markets. New York: The Conference Board, 1974.

of divorced or widowed females. The married were slightly under-represented in the sample compared to the population (Table 3.4).

Those with less than a high school diploma were under-represented in the sample, while those with some college or who were college graduates were over-represented. This finding is consistent with other researchers' experience. For example, LaBarbara (1976) found that those who participated in federal rule-making procedures tended to be over-representative of the well-educated working in corresponding occupations. According to the U.S. Census (1975), 38.7% of the population has not graduated from high school, whereas only 8.2% of the sample fell in this category. Conversely, their statistics show that 13.3% of the population has college degrees, whereas 32.3% of the sample fell in this category (Table 3.5).

Table 3.5--Educational Classifications of the Sample and the Population.

Educational Level	Sample %	Population %
Elementary	3.2%	22.8%
Some high school	4.9	15.9
High school graduate	17.9	36.1
Some college	40.8	11.9
College graduate	31.8	13.3
No response	1.4	--

Note. Educational levels of population from U.S. Bureau of the Census, Statistical Abstract of the United States: 1975 (9th ed.). Washington, D.C., 1975.

Two-income families were under-represented in the sample, accounting for only 19%, compared to 41.5% in the population. Unemployment among the sample averaged 9%. Since there is controversy over the actual rates of unemployment, the sample may actually be more accurate. It should be noted that housewives were not considered unemployed. Also, those who are retired were classified separately from the "temporarily unemployed." Unemployed and retired respondents were asked to indicate the type of employment they last had, for occupational classification purposes.

The study included extensive cross-tabulations by age, income, sex, occupation, and education level. Thus, even though some categories may be under-represented in the total sample the views of those respondents in these categories can be ascertained by the cross-tabulations.

The Questionnaire

The questionnaire developed for this study consisted of demographic questions and Likert-type statements to which the respondents were asked to indicate their agreement or disagreement. The Likert scale was selected as it is easily understood by respondents. The scale used five points ranging from strongly agree to strongly disagree. The middle category was identified as uncertain to avoid the forced-choice situation (Appendix A).

Some researchers feel negative statements should not be used in Likert scaling as individuals may tend to omit the "no" or "not" part of the statement (Babbie, 1973). Thus, most of the

general statements were written to appear in the positive. Some, however, were left in the negative form as the questionnaire may have appeared too "pro-government" if all were left in the positive form. This also provided a greater opportunity for a range of answers and minimized the chance of an individual checking answers at only one end of the scale. Several questions were "double-barreled" in order to be realistic. Specifically, questions 1 and 25 would be unrealistic without a cost clause (see Appendix A).

The hypotheses were stated and desired tables set up before specific statements were selected or written for inclusion in the research. Statements about preventing consumer complaints were included if they contributed to the testing of one of the hypotheses and either appeared in the literature reviewed, were suggested by the consumer affairs professionals interviewed, or could be drawn from the writer's experience in consumer affairs. Another criterion was to provide a balance between the three alternatives for preventing and resolving consumer problems. The specific statements included in each computed variable, used to test the hypotheses, are listed in the tables that follow the discussion of each created variable in Chapter IV.

The questionnaire consisted of three parts. The first section included Likert statements, with a five-point scale, dealing with concepts to prevent consumer problems and selected contemporary issues (see Appendix A). The criterion for selection of statements was discussed in the preceding paragraph.

The second part included descriptions of nine specific consumer problem situations. The situations were developed based on personal interviews and correspondence with consumer affairs professionals and the writer's own experience in consumer affairs in government, education, and industry. Complaint letters representative of automobile manufacturer complaints were provided by the Ford Motor Company. The Quality Control Department of the S. S. Kresge Company provided insight into the retailer's dilemma. The Better Business Bureau of Metropolitan Detroit was able to provide situations representative of more common problems they encounter. The National Association of Home Appliance Manufacturers provided situations which are vexing to the home appliance industry.

Each situation was followed by several alternate solutions to the problem described in the situation. Each respondent was asked to indicate the strength of agreement or disagreement to each suggested solution. The alternate solutions included at least one voluntary business solution, one government intervention solution, and one educational solution. Solutions were rotated so that one type of solution did not always appear first or last.

The third part of the questionnaire dealt with demographic data. Demographic data on age, occupation, education, income, and sex were included so that responses could be analyzed by these classifications. These data also facilitated comparisons of the sample with the population parameters, using the U.S. Statistical Abstract (1975) and statistics in the Conference Board publication, Guide to Consumer Markets (1974).

Statements were worded in language average consumers could understand and to provide pro and con stances on issues. The statements were reviewed by the members of the graduate committee as a group and by an additional researcher not on the committee.

Pre-test

The questionnaire was pre-tested in the metropolitan Detroit area in June, 1976. Using a table of random numbers, 60 names were selected from the Detroit and suburban phone directories. A specific deadline for return of the questionnaire was stated, with the majority of those who returned it doing so by the deadline date. Respondents were asked to make comments next to any question they did not understand.

In addition the pre-test incorporated four combinations of addressing and paying for postage. Half of the pre-test questionnaires had hand-addressed envelopes and half had typed envelopes. Each of these groups was further split so that half had a return address envelope that had been hand-stamped and half had a post-office return-postage-paid envelope. There was no difference in return rate, so for economic and time reasons typed envelopes with a pre-printed postage return envelope were used in the study itself.

The pre-test provided insight into questions that respondents might have trouble understanding, as well as helping to identify those statements which could be deleted without affecting the survey results. Following the pre-test, 10 statements were modified, 6 were deleted, and 6 were added. Some of the statements were

reworded to incorporate the word "should"; others were modified because of committee suggestions or comments from pre-test respondents.

Hypotheses

The hypotheses fell into five major categories. For statistical testing purposes the hypotheses had to be broken down so each one tested only one variable. All hypotheses are stated in the null form.

Group 1

Consumers in different demographic categories indicate similar attitudes toward government intervention to prevent consumer problems.

- 1.1 There is no significant relationship between age and attitudes toward government intervention to prevent consumer problems.
- 1.2 There is no significant relationship between sex and attitudes toward government intervention to prevent consumer problems.
- 1.3 There is no significant relationship between educational level and attitudes toward government intervention to prevent consumer problems.
- 1.4 There is no significant relationship between income and attitudes toward government intervention to prevent consumer problems.
- 1.5 There is no significant relationship between occupation and attitudes toward government intervention to prevent consumer problems.

Group 2

Consumers in different demographic categories indicate similar attitudes toward voluntary business responsibility to prevent consumer problems.

- 2.1 There is no significant relationship between age and attitudes toward voluntary business responsibility to prevent consumer problems.
- 2.2 There is no significant relationship between sex and attitudes toward voluntary business responsibility to prevent consumer problems.
- 2.3 There is no significant relationship between educational level and attitudes toward voluntary business responsibility to prevent consumer problems.
- 2.4 There is no significant relationship between income and attitudes toward voluntary business responsibility to prevent consumer problems.
- 2.5 There is no significant relationship between occupation and attitudes toward voluntary business responsibility to prevent consumer problems.

Group 3

Consumers in different demographic categories indicate similar attitudes toward consumer education to prevent consumer problems.

- 3.1 There is no significant relationship between age and attitudes toward consumer education to prevent consumer problems.
- 3.2 There is no significant relationship between sex and attitudes toward consumer education to prevent consumer problems.
- 3.3 There is no significant relationship between education and attitudes toward consumer education to prevent consumer problems.
- 3.4 There is no significant relationship between income and attitudes toward consumer education to prevent consumer problems.
- 3.5 There is no significant relationship between occupation and attitudes toward consumer education to prevent consumer problems.

Group 4

Consumers in different demographic categories indicate similar attitudes toward alternate solutions to common consumer complaint situations.

- 4.1 There is no significant relationship between age and attitudes toward alternate solutions to common consumer complaint situations.
- 4.2 There is no significant relationship between sex and attitudes toward alternate solutions to common consumer complaint situations.
- 4.3 There is no significant relationship between education and attitudes toward alternate solutions to common consumer complaint situations.
- 4.4 There is no significant relationship between income and attitudes toward alternate solutions to common consumer complaint situations.
- 4.5 There is no significant relationship between occupation and attitudes toward alternate solutions to common consumer complaint situations.
- 4.6 There is no significant relationship between employment status and attitudes toward alternate solutions to common consumer complaint situations.

In addition to testing hypotheses, several statements were included to provide additional data needed to determine solutions to some of the consumer problem situations presented.

Several exploratory statements and one situation were included to obtain attitudes toward some emerging consumer issues:

1. Special marketplace help for senior citizens
2. Advertising aimed at children
3. Price marking in supermarkets where the new computer checkouts are in use
4. Ecological implications of consumer decisions

Methods of Analysis

Parametric data are those for which the units of measurement are interchangeable (Wentz, 1972). Non-parametric data are those for which the units of measurement are not interchangeable. Value judgments, attitudes, and preference ratings are examples of non-parametric data. Attitude data are ordinal in nature and thus should not be subjected to parametric tests. Since attitude data can be quantified, it is tempting for some researchers to use parametric measures for analysis. However, both Wentz (1972) and Conover (1971) emphasize that parametric statistical tests are inappropriate for ordinal data.

Wentz cautions that while it is possible to come up with apparently valid numerical answers and statistical conclusions, the results can be wholly misleading. He further states that the only valid parametric data that can emerge from purely qualitative variables are frequency distributions, where the numbers of respondents giving a particular qualitative response are counted.

Thus, in spite of the great temptation to quantify the attitude ratings, it was decided to use a chi-square test appropriate for non-parametric data. Chi-square determines whether a systematic relationship exists between two variables. This is done by computing the cell frequencies which would be expected if no relationship is present between the variables giving the existing row and column totals (marginals). The expected cell frequencies are then compared to the actual values. If the chi-square test shows that there is most likely a relationship between the variables, then



then the contingency coefficient can be computed to give an indication of the degree of the relationship (Bruning, 1968, pp. 209-210).

The greater the discrepancy between the expected and the actual frequencies, the larger the chi-square becomes. Since it is not possible to know what the actual relationship is in the universe, small values of chi square are interpreted to indicate the absence of a relationship.

The basic formula for chi-square is:

$$\chi^2 = \frac{\sum(O-E)^2}{E}$$

where O = the observed frequency for a particular cell of the contingency table

E = the expected frequency for a cell, based upon marginal totals

The relationship between the contingency coefficient (c) and chi-square is:

$$c = \frac{\chi^2}{\chi^2 + N}$$

where χ^2 = the chi-square value

N = the total of all the values in the contingency table

The newer computer statistical packages adjust the data to reflect a strength of relationship using phi for a 2 x 2 table and Cramer's V for other row-column combinations. Cramer's V makes an adjustment for the fact that the value of chi-square is directly proportional to the number of cases. Cramer's V is used to adjust Phi for either the number of rows or the number of columns in the

table, depending upon which of the two is smaller (Nie, 1975, p. 224).

The formula for Cramer's V is:

$$V = \frac{\phi^2}{\min(r-1)(c-1)}^{1/2}$$

V also ranges from 0 to +1 when several nominal categories are involved. Thus a large value of V merely signifies that a high degree of association exists, without revealing the manner in which the variables are associated.

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CHAPTER IV

ANALYSIS OF THE FINDINGS

This chapter presents the findings relative to the hypotheses presented in Chapter III as well as some discussion of the data generated from selected frequency counts. Descriptive data are included, because some of the statements included in this survey are exploratory in nature and therefore can provide base line data for further research.

Frequency counts, means, and standard deviations were run on the original categories as collected in the questionnaire. The chi-square tests were run on collapsed data in order to minimize the number of cells. Age, occupation, income, and education were each collapsed into three categories by recoding. The Likert statements were also collapsed into three categories: agree, undecided, and disagree.

In order to provide summative data, six variables were created:

- A. Attitudes toward preventive government intervention
- B. Attitudes toward voluntary business responsibility
- C. Attitudes toward preventive consumer education statements
- D. Attitudes toward government solutions to consumer problems

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- E. Attitudes toward voluntary business solutions to consumer problems
- F. Attitudes toward education solutions to consumer problems (This incorporates acceptance of status quo statements.)

The items included in each computed variable are listed on separate tables. Each computed variable table follows the beginning of the discussion of the hypothesis to which it is related.

For testing purposes, all hypotheses were stated in the null form, which means there was no significant difference in attitudes between the groups. The hypotheses are discussed in logical groupings.

Attitudes Toward Government Intervention to Prevent Consumer Problems

The first part of this section reports on the testing of hypotheses on attitudes toward intervention to prevent consumer problems. The second part discusses consumer attitudes toward specific government actions.

Group 1 Hypotheses Testing

The hypotheses in this section were tested by computing Variable A and cross-tabulating it with the various demographic categories (Table 4.1). Variable A was computed by summing the scores from statements 2, 3, 5, 7, 8, 10, 11, 13, 22, and 24 and then dividing by 10. The Likert scale was recoded so that scores falling between 1 and 2.5 were recoded as disagree, scores that fell between 2.5 and 3.5 were recoded undecided, and those that fell between 3.5 and 5 were classified as agree. Statement 3 had

Table 4.1--Computed Variable A: Attitudes Toward Government Intervention to Prevent Consumer Problems.

Specific Government Intervention	Agree Strongly		Agree Somewhat		Undecided		Disagree Somewhat		Disagree Strongly		Mean Score
	No.	%	No.	%	No.	%	No.	%	No.	%	
5. Businesses should be required to write their legal contracts in language easy for average customers to understand.	195	87.4	15	6.7	6	2.7	5	2.2	2	.9	4.776
2. There should be more consumer legislation at the federal level so those who are unethical or fraudulent cannot move their business from state to state to avoid prosecution.	160	72.1	29	13.1	13	5.9	15	6.8	5	2.3	4.459
8. There should be a 3-day "cooling-off" period on all consumer contracts over \$35. (This means there is a 3-day period in which the consumer can change his mind and cancel the contract.)	124	55.6	49	22.0	21	9.4	15	6.7	14	6.3	4.139
13. The federal government should establish quality standards for products so consumers can compare and make more informed choices.	116	52.0	38	17.0	21	9.4	25	11.2	23	10.3	3.892
7. Local or county government should have a consumer specialist whom residents can contact for information before making a purchase decision.	91	41.2	56	25.3	24	10.9	26	11.8	24	10.9	3.742
22. Government-sponsored consumer complaint agencies should publish a list of the firms with the number of complaints against each firm.	79	35.4	57	25.6	30	13.5	28	12.6	29	13.0	3.578
11. Local or state government should have a consumer complaint office to help consumers resolve complaints only where there is fraud.	69	31.2	61	27.6	21	9.5	34	15.4	36	16.3	3.421
24. There should be a cabinet-level Office of Consumer Affairs in Washington, to protect the consumer's interest.	65	29.1	56	25.1	35	15.7	27	12.1	40	17.9	3.354
10. Government should concentrate on preventing complaints.	60	27.3	42	19.1	45	20.5	39	17.7	34	15.5	3.250
3. Government should not become involved in community consumer education programs.	38	17.2	42	19.0	40	18.1	43	19.5	58	26.2	2.814

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to be reversed for the chi-square test since it was written in the negative.

Age was not significant at the .05 level; therefore, the null hypothesis was not rejected.

1.1 There is no significant relationship between age and attitudes toward government intervention.

Men and women respondents showed significant differences in attitude toward preventive government intervention at the .01 level; thus the alternate hypothesis is supported (Table 4.2).

1.2 There is a significant relationship between sex and attitudes toward government intervention to prevent consumer problems.

Women respondents were more in agreement (79%) with government intervention statements than male respondents (54.5%). Of note is the difference in the undecided category where men (33%) were more undecided than women (16.4%).

Table 4.2--Attitudes, by Sex, Toward Government Intervention to Prevent Consumer Problems.

Sex Category	Agree %	Undecided %	Disagree %
Male	54.4%	33.0%	12.6%
Female	79.1	16.4	4.5

Chi-square = 14.985 (2 d.f.) Cramer's V = .2652 α = .0006

Those in different educational categories showed significant differences in attitudes toward preventive government intervention at

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the .01 level; thus the alternate hypothesis can be supported (Table 4.3).

- 1.3 There is a significant relationship between education and attitudes toward government intervention to prevent consumer problems.

Those with more education are less desirous of government intervention to prevent consumer problems. Those with less than a high school diploma were more favorable to government intervention solutions (76.5%) than those with a 4-year college degree (47.8%). Of note is that none of those in the lowest educational category disagreed with government intervention.

Table 4.3--Attitudes, by Education, Toward Government Intervention to Prevent Consumer Problems.

Education	Agree %	Undecided %	Disagree %
Less than a high school graduate	76.5%	23.5%	0%
High school graduate with some college	76.2	17.5	6.3
College graduate	47.8	37.7	14.5
Chi-square = 18.10 (4 d.f.) Cramer's V = .2066 $\alpha = .001$			

Income groups showed significant differences in attitudes toward preventive government intervention at the .001 level; thus the alternate hypothesis can be supported (Table 4.4).

- 1.4 There is a significant relationship between income and attitudes toward government intervention to prevent consumer problems.

Those in the under \$10,000 income category favored more government preventive action (81%), while fewer of those earning over \$20,000 held favorable attitudes (40%).

Table 4.4--Attitudes, by Income, Toward Government Intervention to Prevent Consumer Problems.

Income	Agree %	Undecided %	Disagree %
Under \$9,999	81.1%	13.5%	5.4%
\$10,000-\$19,999	69.0	26.2	4.8
Over \$20,000	40.0	40.0	20.0

Chi-square = 26.01 (4 d.f.) Cramer's V = .250 $\alpha = .001$

Occupation was significant at the .001 level; thus the alternate hypothesis can be supported (Table 4.5).

- 1.5 There is a relationship between occupation and attitudes toward government intervention to prevent consumer problems.

Those respondents in the service and household occupations favored government intervention (83%) compared to those in the professional-administrative category (47%). The professional group had a higher percentage of undecided (40%) than the service occupations (13.5%). Those in the clerical-sales-skilled trades occupations fell in between the other two groups.

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Table 4.5--Attitudes, by Occupation, Toward Government Intervention to Prevent Consumer Problems.

Occupation	Agree %	Undecided %	Disagree %
Professional, technical, administrative and managerial	46.6%	39.7%	13.8%
Clerical, sales and craftsmen	69.0	20.7	10.3
Service and household	82.8	15.6	1.6
Chi-square = 19.90 (2 d.f.) Cramer's V = .218 $\alpha = .005$			

Discussion of Specific Government Intervention Measures to Prevent Consumer Problems

The specific government actions that respondents most agreed with to prevent consumer problems were, "Business should be required to write their legal contracts in language easy for average consumers to understand" (mean score = 4.459) and "There should be more consumer legislation at the federal level so those who are unethical or fraudulent cannot move their business from state to state to avoid prosecution" (mean score = 4.459). The majority (77%) agreed there should be a 3-day "cooling-off" period on all consumer contracts over \$35 (mean score = 4.139). Extending the cooling-off period to all consumer contracts over \$35, not just those consummated in the home, falls in the category of protecting consumers against their own actions. It also would change the nature of the buyer-seller relationship at the time of sale. One result would be the lessening of pressure to close the sale on an "undecided" customer

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Respondents disagreed most (46%) with the statement that "Government should not become involved in community consumer education programs." There were write-in comments asking who would do it and how. Since another 18% were undecided and 36% disagreed, this statement had the greatest range of attitudes. The majority (66%) of the respondents supported the concept of a local government consumer specialist whom residents could contact for information before making a purchase decision. They (61%) also supported the idea of government-sponsored consumer complaint agencies publishing a list of firms with the number of complaints against each.

The majority (69%) supported the idea of the federal government establishing quality standards for products to facilitate product comparisons by consumers. The strength of agreement/disagreement for statements on preventive government intervention is included on the same table that explained the statements that composed Variable A, used for testing hypotheses in group 1 (Table 4.1).

Attitudes Toward Voluntary Business Responsibility to Prevent Consumer Problems

The first part of this section reports on the testing of hypotheses on attitudes toward voluntary business responsibility. The second part discusses consumer attitudes toward specific voluntary business actions.

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Group 2 Hypotheses Testing

The hypotheses in this section were tested by computing Variable B and cross-tabulating it with the various demographic categories. Variable B was created by summing the scores from statements 1, 6, 9, 16, 18, 20, and 23 and dividing by 7 (Table 4.6). Scores that fell in the 1 to 2.5 range were classified as disagree, scores that fell between 2.5 and 3.5 were classified as undecided, and those that fell between 3.5 and 5 were classified as agree.

Sex classification was significant at the .055 level; therefore, the null hypothesis of no difference was rejected and the alternate hypothesis supported.

2.2 There is a significant relationship between sex classification and attitudes toward voluntary business responsibility to prevent consumer problems.

A high number of both male and female average scores fell in the agree range (Table 4.7). More men (12.6%) fell in the undecided range than women (1%).

Table 4.7--Attitudes, by Sex, Toward Voluntary Business Responsibility to Prevent Consumer Problems.

Sex Category	Agree %	Undecided %	Disagree %
Male	87.4%	12.6%	0
Female	99.1	.9	0

Chi-square = 9.94 (1 d.f.) Cramer's V = .2355 $\alpha = .005$

Table 4.6--Computed Variable B: Attitudes Toward Voluntary Business Responsibility to Prevent Consumer Problems.

Specific Voluntary Business Action	Agree Strongly No.	Agree Somewhat No.	Undecided No.	Disagree Somewhat No.	Disagree Strongly No.	Mean Score
6. Businessmen should be concerned about their customers being satisfied and voluntarily correct consumer problems.	175	40	3	4	1	4.722
16. Business should voluntarily replace defective products within the warranty period if they cannot be fixed within 30 days of the product failure.	170	38	9	4	1	4.676
9. Advertising should be less persuasive and more informative about features and product limitations.	148	52	13	7	2	4.518
18. All in-warranty work should voluntarily be done by the manufacturer without a labor charge.	148	46	14	8	4	4.482
1. Manufacturers should make better quality products which require less service even if they cost the consumer more.	117	83	11	9	2	4.369
20. Business groups such as car dealers should set up an arbitration panel with impartial participants to decide on the merits of disputed service complaints.	81	75	37	13	14	3.891
23. Business should honor all oral promises and statements that affect product performance made by their salesmen, even if not written in the contract.	75	56	23	42	26	3.505

The remaining hypotheses in group 2 were not significant at the .05 level; therefore, the null hypotheses were not rejected.

- 2.1 There is no significant relationship between age and attitudes toward voluntary business responsibility to prevent consumer problems.
- 2.3 There is no significant relationship between educational level and attitudes toward voluntary business responsibility to prevent consumer problems.
- 2.4 There is no significant relationship between income and attitudes toward voluntary business responsibility to prevent consumer problems.
- 2.5 There is no significant relationship between occupation and attitudes toward voluntary business responsibility to prevent consumer problems.

Discussion of Specific Voluntary Business Actions to Prevent Consumer Problems

Some useful findings in this group lie outside of hypotheses testing. They are revealed in the frequency counts and mean scores shown in Table 4.6. They show respondents agreeing overwhelmingly with voluntary business actions that would prevent consumer problems.

A very large majority (96.4%) agreed that businessmen should be concerned about the satisfaction of their customers and voluntarily correct consumer problems. Several statements were included that have product quality implications, and they were supported by the majority of the respondents. A sizable majority (93.6%) agreed that business should voluntarily replace defective products within the warranty period if they cannot be fixed within 30 days. The majority (90%) supported that statement that manufacturers should make better quality products which require less service even if

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they cost the consumer more. The 5% of those who disagreed with this statement included several who wrote in comments indicating that better quality products should be made but they should not cost any more. This concept has ecological implications in that products would be discarded less frequently. It has cost implications in that, although products would initially cost more, consumers are aware that it is a product life cycle cost that is the most important consideration. Thus, a slightly higher initial price may be less expensive in the long run from both a cost and frustration perspective.

The respondents supported the statement (88.2%) that all in-warranty work should be done without a labor charge. Only 5.4% disagreed with the statement and 6.4% were undecided. There appeared to be agreement across all demographic variables to this statement as there was to most of the statements related to voluntary action by business.

The concept of arbitration appeared to meet with some skepticism from the respondents. While a majority (71%) supported the idea, there were write-in comments indicating concern about who would be the impartial arbiters and how they would be selected.

Attitudes Toward Consumer Education to Prevent Consumer Problems

The first part of this section reports on the testing of hypotheses on attitudes toward consumer education to prevent consumer problems. The second part discusses consumer attitudes toward specific education alternatives.

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Group 3 Hypotheses Testing

The hypotheses in this section were tested by computing Variable C and cross-tabulating it with the various demographic categories (Table 4.8). Variable C, used in the chi-square analysis of consumer education statements, was computed by summing the scores from statements 7, 9, 12, 14, 17, 19, and 25 and dividing by 7. Then the Likert responses were recoded so that scores that fell in the 1 to 2.5 range were recoded as disagree, scores that fell between 2.5 and 3.5 were reclassified as undecided, and scores that fell between 3.5 and 5 were classified as agree. Statements 14 and 17 had to be reversed for the chi-square test since they were written in the negative.

Sex classification was significant at the .005 level; thus the null hypothesis was rejected and the alternate supported (Table 4.9).

3.2 There is a significant relationship between sex and attitudes toward consumer education.

More women (83%) than men (60%) agreed with the consumer education statements. A larger percentage of men (37.5%) were undecided compared to the women (15.6%).

Table 4.8--Computed Variable C: Attitudes Toward Consumer Education to Prevent Consumer Problems.

Specific Consumer Education Action	Agree Strongly No.	Agree Strongly %	Agree Somewhat No.	Agree Somewhat %	Undecided No.	Undecided %	Disagree Somewhat No.	Disagree Somewhat %	Disagree Strongly No.	Disagree Strongly %	Mean Score
9. Advertising should be less persuasive and more informative about features and product limitations.	148	66.7	52	23.4	13	5.9	7	3.2	2	.9	4.518
12. Students should be exposed to consumer education before they graduate from high school.	140	63.1	64	28.8	7	3.2	8	3.6	3	1.4	4.486
25. Consumers should be educated to purchase more energy-efficient appliances that cost more to purchase initially, but cost less to operate.	92	41.8	77	35.0	33	15.0	12	5.5	6	2.7	4.077
19. There should be adult-oriented classes in consumer education.	80	36.0	78	35.1	38	17.1	17	7.7	9	4.1	3.914
7. Local or county government should have a consumer specialist whom residents can contact for information before making a purchase decision.	91	41.2	56	25.3	24	10.9	26	11.8	24	10.9	3.742
17. Consumer education would prevent few consumer problems.	54	24.4	63	28.5	33	14.9	44	19.9	27	12.2	3.330
14. Consumers have access to enough information on which to base their buying decisions.	50	22.4	50	22.4	18	8.1	60	26.9	45	20.2	3.000

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Table 4.9--Attitudes, by Sex, Toward Consumer Education to Prevent Consumer Problems.

Sex	Agree %	Undecided %	Disagree %
Male	59.6%	37.5%	2.9%
Female	82.6	15.6	1.8

Chi-square = 13.89 (2 d.f.) Cramer's V = .2554 $\alpha = .001$

Education classification was significant at the .001 level; **therefore**, the null hypothesis of no difference was rejected and **the** alternate hypothesis supported (Table 4.10).

3.3 There is a significant relationship between educational level and attitudes toward consumer education.

Those with higher educational levels supported consumer education to prevent consumer problems more (70.6%) than those in **the** lowest educational level (35.3%).

Table 4.10--Attitudes, by Education, Toward Consumer Education to Prevent Consumer Problems.

Education	Agree %	Undecided %	Disagree %
Less than a high school graduate	35.3%	64.7%	0%
High school graduate with some college	76.4	21.3	2.4
College graduate	70.6	26.5	2.9

Chi-square = 14.77 (4 d.f.) Cramer's V = .186 $\alpha = .0052$

Income classification was significant at the .05 level; therefore, the null hypothesis of no difference was rejected, and the alternate hypothesis supported (Table 4.11).

3.4 There is a significant relationship between income and attitudes toward consumer education to prevent consumer problems.

While the majority in all income groups agreed with the consumer education statements, those in the lower (71.2%) and middle (76.7%) income categories held more favorable attitudes than those in the highest income categories (59%).

Table 4.11--Attitudes, by Income, Toward Consumer Education to Prevent Consumer Problems.

Income	Agree %	Undecided %	Disagree %
Under \$9,999	71.2%	28.8%	0
\$10,000 to \$19,999	76.7	23.3	0
Over \$20,000	59.2	30.6	0

Chi-square = 18.361 (4 d.f.) Cramer's V = .210 $\alpha = .001$

The remaining hypotheses in group 3 were not significant at the .05 level; therefore, the null hypotheses were not rejected.

3.1 There is no significant relationship between age and attitudes toward consumer education to prevent consumer problems.

3.5 There is no significant relationship between occupation and attitudes toward consumer education to prevent consumer problems.

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Discussion of Specific Consumer Education Alternatives

Frequency counts and means revealed a positive attitude toward consumer education by the majority of respondents (Table 4.8).

Ninety-two percent of the respondents agreed with the statement, "Students should be exposed to consumer education before they graduate from high school." Over 90% agreed with the statement, "Advertising should be less persuasive and more informative about product features and product limitations." Two-thirds of the respondents agreed with the statement, "Local or county government should have a consumer specialist whom residents can contact for information before making a purchase decision."

The majority of respondents agreed with the statement, "Consumers should be educated to purchase more energy-efficient appliances that cost more to purchase initially, but cost less to operate." Such energy-efficient appliances are now available for consumers who wish to pay slightly more. The need for education was evident by several of the written comments that such energy-efficient appliances should be available but not cost more.

Attitudes Toward the Resolution of Common Consumer Complaints

This section tested consumer attitudes toward alternate solutions to the common consumer complaint situations described in the questionnaire. Each of these situations is listed and discussed in this section, following the results of the hypotheses testing.

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Three variables were created to assess attitudes to test the hypotheses in this group. Variable D, which averaged scores on government solutions to consumer problems, was computed by summing the scores from statements 29, 33, 36, 38, 39, 43, 46, 47, 55, 57, and 60 and then dividing by 11. Variable E, which averaged scores on attitudes toward voluntary business measures to resolve consumer problems, was computed by summing the scores from statements 28, 32, 37, 40, 44, 48, 49, 53, 56, and 59 and then dividing by 10. Variable F, which averaged scores on attitudes toward consumer education solutions to consumer problems, was computed by summing the scores from statements 30, 34, 35, 41, 42, 50, 52, 58, and 61 and then dividing by 9.

The Likert categories were condensed using the same procedure as described for Variables A, B, and C. Tables 4.14, 4.15, and 4.19 to 4.29 show the frequency counts and mean scores for each situation calculated before recoding for statistical testing.

Group 4 Hypotheses Testing

Income showed a significant relationship to attitudes toward government solutions to consumer problems at the .005 level; therefore, the alternate hypothesis was supported (Table 4.12).

- 4.4 There is a significant relationship between income and consumer attitudes toward alternate solutions to common consumer complaint situations.

Those in the lower income group, earning less than \$10,000, held more favorable attitudes toward government solutions to the consumer problems included in the survey than those in higher income

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groups. The agreement level for government solutions ranged from 55.8% for those earning over \$20,000 to a high of 84.7% for those earning less than \$10,000. The higher income group had more undecided respondents (27%) than the lower income group (12.5%).

Table 4.12--Attitudes, by Income, Toward Government Solutions to Consumer Problems.

Income	Agree %	Undecided %	Disagree %
Under \$9,999	84.7%	12.5%	2.8%
\$10,000 to \$19,999	75.0	20.0	5.0
Over \$20,000	55.8	26.9	17.3

Chi-square = 16.48 (4 d.f.) Cramer's V = .201 $\alpha = .005$

Those in different occupational categories showed significant differences in attitudes toward government solutions to the consumer problems at the .005 level; therefore, the alternate hypothesis can be supported (Table 4.13).

4.5 There is a significant relationship between occupation and attitudes toward alternate solutions to common consumer complaint situations.

The professional, technical, and administrative occupational category had similar responses to the clerical, sales, and craftsman category in the three response areas. The service, household, and operatives category differed in that 90.8% of its respondents favored government solutions and none disagreed with government solutions.

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Table 4.13--Attitudes, by Occupations, Toward Government Solutions to Consumer Problems.

Occupation	Agree %	Undecided %	Disagree %
Professional, technical, administrative and managerial	61.8%	27.3%	10.9%
Clerical, sales and craftsmen	68.2	21.2	10.6
Service and household	90.8	9.2	0.0

Chi-square = 16.389 (4 d.f.) Cramer's V = .199 $\alpha = .005$

Those in different educational categories showed significant differences in attitudes toward education solutions to consumer problems, at the .005 level; therefore, the alternate hypothesis can be supported (Table 4.14).

4.3 There is a significant relationship between education and attitudes toward alternate solutions to common consumer complaint situations.

Those in the highest level of education category agreed more with education solutions than those with less education. While less than 2% of the respondents who were college graduates disagreed with the education solutions, 18.8% of those with less than a high school education did disagree. There were write-in comments on some of the education solutions that indicated respondents did not accept education solutions as they implied an acceptance of the status-quo. Some of those who disagreed with the education solution, such as in the dry cleaning situation, indicated the consumer should

not have to be educated to be wary of a situation--the situation should be prevented.

Table 4.14--Attitudes, by Education, Toward Education Solutions to Consumer Problems.

Education	Agree %	Undecided %	Disagree %
Less than high school graduate	56.3%	25.0%	18.8%
High school graduate with some college	49.6	48.0	2.4
College graduate	60.3	38.2	1.5

Chi-square = 15.81 (4 d.f.) Cramer's V = .194 $\alpha = .005$

The remaining hypotheses in group 4 were not significant at the .05 level; therefore, the null hypotheses were not rejected.

- 4.1 There is no significant relationship between age and attitudes toward alternate solutions to common consumer complaint situations.
- 4.2 There is no significant relationship between sex and attitudes toward alternate solutions to common consumer complaint situations.
- 4.6 There is no significant relationship between employment status and attitudes toward alternate solutions to common consumer complaint situations.

Summary of Responses to Problem Situations

A brief summary of the findings of each problem situation is included in this section, as the descriptive measures provide pragmatic information not otherwise available.

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SITUATION A: THE CONSUMER PURCHASED A NEW CAR. IT HAS HAD FREQUENT SERVICE AND THE CAR STILL DOES NOT OPERATE RIGHT. THE WARRANTY HAS RUN OUT AND THE MAIN PROBLEM HAS STILL NOT BEEN FIXED.

The overwhelming majority of the respondents (97%) felt the manufacturer should voluntarily fix the unit free (Table 4.15).

Almost as high a percentage (84%) felt that by law the manufacturer should fix the defect free. Only 6.5% of the respondents felt the consumer should pay to get the car fixed.

SITUATION B: A NEW PORTABLE APPLIANCE DOES NOT WORK AFTER ONE WEEK'S USE. THE LOCAL SERVICE AGENCY DOES NOT HAVE THE REPAIR PARTS AND DOES NOT KNOW WHEN THEY WILL BE AVAILABLE. THEY HAVE HAD THE UNIT A MONTH AND ARE UNABLE TO FIX IT.

Respondents agreed most with the alternative of having the retailer who sold the appliance exchange it for a new one (96.8%) (Table 4.16). Nearly 80% agreed with the statement that there should be a law prohibiting manufacturers from distributing products unless repair parts are in stock and available for immediate shipment to service agencies and consumers. Some of the 13% who disagreed with the statement that consumers should be educated to demand a new unit from the retailer who sold it, wrote in comments that the consumer should not have to make such a demand--it should be exchanged voluntarily and willingly.

SITUATION C: A CONSUMER GOODS MANUFACTURER HAS BEEN POLLUTING THE WATER AND AIR. TO ELIMINATE THE POLLUTION EXPENSIVE EQUIPMENT WILL HAVE TO BE INSTALLED. HOW SHOULD THESE COSTS BE COVERED?

Respondents agreed least with the alternative of having taxpayers subsidize anti-pollution equipment (19%) (Table 4.17). Nearly

Table 4.15--Responses to Problem Situation A: The Consumer Purchased a New Car. It Has Had Frequent Service and the Car Still Does Not Operate Right. The Warranty Has Run Out and the Main Problem Has Still Not Been Fixed.

Alternatives	Agree Strongly		Agree Somewhat		Undecided		Disagree Somewhat		Disagree Strongly		Mean Score
	No.	%	No.	%	No.	%	No.	%	No.	%	
The manufacturer should voluntarily agree to fix the unit free since the complaint existed during the warranty period.	185	84.5	29	13.2	3	1.4	1	.4	1	.4	4.80
There should be legislation that requires manufacturer to fix the car since the defect was present during the warranty period.	161	73.2	26	11.8	14	6.4	9	4.1	10	4.5	4.45
There is no way the consumer could learn to avoid this problem.	48	22.5	40	18.8	39	18.3	37	17.4	49	23.0	3.00
The consumer should pay to get the problem fixed. The car is out of warranty and the manufacturer or dealer has no responsibility.	4	1.8	10	4.6	14	6.4	25	11.5	165	75.7	1.45

Table 4.16--Responses to Problem Situation B: A New Portable Appliance Does Not Work After One Week's Use. The Local Service Agency Does Not Have Repair Parts and Does Not Know When They Will Be Available. They Have Had the Unit a Month and Are Unable to Fix It.

Alternatives	Agree Strongly		Agree Somewhat		Undecided		Disagree Somewhat		Disagree Strongly		Mean Score
	No.	%	No.	%	No.	%	No.	%	No.	%	
The retailer who sold the appliance should exchange it voluntarily for a new one.	195	88.6	18	8.2	5	2.3	1	.5	1	.5	4.84
There should be a law prohibiting manufacturers from distributing products unless repair parts are in stock and available for immediate shipment to service agencies and consumers.	125	57.1	49	22.4	19	8.7	12	5.5	14	6.4	4.18
The consumer should be educated to demand a new unit from the retailer who sold it.	128	58.4	38	17.4	24	11.0	18	8.2	11	5.0	4.16

Table 4.17--Responses to Problem Situation C: A Consumer Goods Manufacturer Has Been Polluting the Water and Air. To Eliminate the Pollution Expensive Equipment Will Have to Be Installed. How Should These Costs Be Covered?

Alternatives	Agree Strongly		Agree Somewhat		Undecided		Disagree Somewhat		Disagree Strongly		Mean Score
	No.	%	No.	%	No.	%	No.	%	No.	%	
Educate the consumer that part of the increased price of products is due to costs of the required anti-pollution equipment.	88	39.8	74	33.5	28	12.7	10	4.5	21	9.5	3.89
Have business absorb the costs of pollution equipment.	61	28.1	63	29.0	38	17.5	29	13.4	26	12.0	3.47
Have all taxpayers subsidize the cost of installing equipment by providing a federal tax credit to the company.	15	6.9	27	12.5	32	14.8	47	21.8	95	44.0	2.16

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three-quarters of the respondents (73%) agreed the cost of such equipment should be built into the price of the product.

Additional tests were run on this question to determine if attitudes varied along demographic lines. These tests revealed that the agreement level was significantly different only by educational level (Table 4.18).

Table 4.18--Attitudes, by Education, Toward Statement: Consumers Should Be Educated That Part of the Increased Cost of Products Is Due to Costs of Required Anti-Pollution Equipment.

Education	Agree %	Undecided %	Disagree %
Less than high school graduate	50.0%	18.8%	31.3%
High school graduate	71.4	17.3	11.3
College graduate	81.4	2.9	15.7

Chi-square = 14.04 (4 d.f.) Cramer's V = .179 $\alpha = .010$

The more highly educated respondents showed greater agreement (81%) with the alternative of educating the consumer to the inherent cost increases than those with less than a high school education (50%). Nearly 57% agreed with having business absorb the cost of pollution equipment. Although this is a somewhat unrealistic alternative, considering how retail prices are usually built on a mark-up from manufacturing costs, it was included to provide the respondents with alternatives. It also provides an indication

of an area where education may be necessary before consumers can make an informed choice among the alternatives available.

SITUATION D: THE CONSUMER PURCHASED A REFRIGERATOR/FREEZER COMBINATION UNIT. ON A FRIDAY EVENING TWO MONTHS AFTER PURCHASE, THE UNIT STOPPED OPERATING. THEY COULD NOT SEND A REPAIRMAN OUT UNTIL WEDNESDAY. THE CONSUMER LOST \$250 WORTH OF FOOD FROM THE FREEZER. THE FREEZER WAS FIXED WITHOUT CHARGE SINCE THE UNIT WAS IN WARRANTY.

SITUATION E: THIS SITUATION IS THE SAME AS ABOVE (D) EXCEPT THAT THE REFRIGERATOR/FREEZER IS NOW SIX YEARS OLD AND OUT OF WARRANTY. THE CONSUMER, THEREFORE, HAD TO PAY FOR FIXING THE UNIT. WHAT ABOUT THE FOOD THAT WAS LOST?

Consumers were about evenly split between fixing responsibility on the dealer or manufacturer (Table 4.19). The majority (77%) felt the consumer should be reimbursed for food lost if prompt service was not available and the unit was in warranty. This dropped to 24.5% when the unit was out of warranty.

More than half (57%) of the respondents agreed the manufacturer should be legally required to provide prompt service even if the refrigerator is out of warranty (Table 4.20). The majority, however, agreed (72%) with the statement that the consumer is just out of luck when it comes to food loss on an out of warranty refrigerator. A majority agreed (61%) with the concept of an insurance policy to cover food loss from an out of warranty refrigerator/freezer.

Table 4.19--Responses to Problem Situation D: The Consumer Purchased a Refrigerator/Freezer Combination Unit. On a Friday Evening Two Months After Purchase, the Unit Stopped Operating. Service Could Not Be Reached Until Monday Morning. They Could Not Send a Repairman Out Until Wednesday. The Consumer Lost \$250 Worth of Food From the Freezer. The Freezer Was Fixed Without Charge Since the Unit Was in Warranty.

Alternatives	Agree Strongly		Agree Somewhat		Undecided		Disagree Somewhat		Disagree Strongly		Mean Score
	No.	%	No.	%	No.	%	No.	%	No.	%	
The retailer who sold the unit should be required to provide prompt service.	131	59.8	49	22.4	13	5.9	19	8.7	7	3.2	4.27
If prompt service is not available the consumer should be reimbursed for food lost.	134	60.6	37	16.7	21	9.5	23	10.4	6	2.7	4.22
The manufacturer should be required to see that prompt service is available.	119	54.6	43	19.7	23	10.6	23	10.6	10	4.6	4.09
The consumer is just out of luck. The consumer should have gotten dry ice. The manufacturer should have no liability for lost food.	11	5.0	25	11.4	15	6.8	41	18.6	128	58.2	1.86

Table 4.20--Responses to Problem Situation E: This Situation Is the Same as Situation D Except That the Refrigerator/Freezer Combination Is Now Six Years Old and Out of Warranty. The Consumer, Therefore, Had to Pay for Fixing the Unit. What About the Food That Was Lost?

Alternatives	Agree Strongly		Agree Somewhat		Undecided		Disagree Somewhat		Disagree Strongly		Mean Score
	No.	%	No.	%	No.	%	No.	%	No.	%	
The consumer is just out of luck. The consumer should have tried to get dry ice or take the food to a neighbor's house. The manufacturer should have no liability for lost food.	97	44.1	61	27.7	29	13.2	15	6.8	18	8.2	3.92
Manufacturers of refrigerators/freezers should offer consumers an insurance policy to cover reimbursement for the cost of food lost due to out of warranty breakdowns.	71	32.4	62	28.3	41	18.7	16	7.3	29	13.2	3.59
The manufacturer should be legally responsible for seeing that prompt service is available even if the unit is out of warranty.	66	30.3	60	27.5	28	12.8	35	16.1	29	13.3	3.45
If prompt service is not available the consumer should be reimbursed for the food lost, even if the unit is out of warranty.	29	13.2	25	11.4	31	14.1	67	30.5	68	30.9	2.45

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SITUATION F: THE CONSUMER PURCHASED A COAT OF A NEW MATERIAL. TWO CLEANERS REFUSED TO TAKE THE GARMENT EVEN THOUGH IT WAS LABELED "DRY CLEAN." A THIRD CLEANER DID TAKE IT. THE GARMENT WAS RUINED IN THE CLEANING PROCESS.

The respondents agreed that the manufacturer had a responsibility to test garments to be sure they can be cared for as labeled (Table 4.21). The overwhelming majority (90%) agreed that such testing should be legislatively mandated, while 94% agreed that manufacturers should do it voluntarily. In other words, if manufacturers do not test voluntarily the vast majority would support legislation requiring it. Current legislation requires only that garments contain a care label and says nothing about verifying its truth.

SITUATION G: THE CONSUMER HAS SIGNED A CONTRACT TO HAVE A SPECIFIC HOME IMPROVEMENT DONE. THE CONTRACTOR HAS PROMISED ORALLY HE WOULD START REMODELLING THE BATHROOM WITHIN TWO WEEKS AND BE DONE IN A MONTH. TWO MONTHS HAVE GONE BY AND NOTHING HAS HAPPENED EXCEPT THE DEPOSIT CHECK HAS BEEN CASHED.

The majority of the consumers (92%) favored an education solution that would make consumers aware they can put firm starting and completion dates in home improvement contracts (Table 4.22). A lesser percentage, 79%, felt such dates should be required legislatively.

Table 4.21--Responses to Problem Situation F: The Consumer Purchased a Coat of a New Material. Two Cleaners Refused to Take the Garment Even Though It Was Labeled "Dry Clean." A Third Cleaner Did Take It. The Garment Was Ruined in the Cleaning Process.

Alternatives	Agree Strongly		Agree Somewhat		Undecided		Disagree Somewhat		Disagree Strongly		Mean Score
	No.	%	No.	%	No.	%	No.	%	No.	%	
The manufacturer should voluntarily test completed garments to be sure that they do clean as labeled.	189	86.7	16	7.3	9	4.1	2	.9	2	.9	4.78
Legislation should require manufacturers to test garments to be sure they can be cleaned as they are labeled.	174	78.0	27	12.1	11	4.9	3	1.3	8	3.6	4.59
The retailer should voluntarily reimburse the purchaser and send the garment back to the manufacturer.	143	66.2	51	23.6	13	6.0	4	1.9	5	2.3	4.49
The law should require the manufacturer to reimburse the purchaser through the retailer.	134	61.2	37	16.9	28	12.8	10	4.6	10	4.6	4.26
The consumer should be educated to be wary of care labels when the garment is made of several different materials.	82	37.6	59	27.1	30	13.8	28	12.8	19	8.7	3.72
The law should require the cleaner to pay for the garment.	32	14.6	32	14.6	23	10.5	45	20.5	87	39.7	2.43

Table 4.22--Responses to Problem Situation 6: The Consumer Has Signed a Contract to Have a Specific Home Improvement Done. The Contractor Has Promised Orally He Would Start Remodelling the Bathroom Within Two Weeks and Be Done in a Month. Two Months Have Gone by and Nothing Has Happened Except the Deposit Check Has Been Cashed.

Alternatives	Agree Strongly		Agree Somewhat		Undecided		Disagree Somewhat		Disagree Strongly		Mean Score
	No.	%	No.	%	No.	%	No.	%	No.	%	
Consumers should be educated to request firm starting and completion dates in writing in any contracts they sign.	167	75.6	37	16.7	6	2.7	4	1.8	7	3.2	4.59
The builder home improvement contractor trade association should put pressure on the contractor to finish the job.	127	58.0	51	23.3	27	12.3	5	2.3	9	4.1	4.28
There should be legislation requiring that all consumer contracts have written starting and completion dates. If the contractor does not live up to these dates the consumer is relieved of his obligation and can get someone else to complete the project.	130	58.6	46	20.7	15	6.8	16	7.2	15	6.8	4.17
Only state licensed home improvement contractors should be allowed to advertise or do home improvement work. Thus, when situations like this arise the licensing bureau could intervene on behalf of the consumer.	97	44.3	40	18.3	32	14.6	24	11.0	26	11.9	3.72

SITUATION H: A COUCH WAS CUSTOM ORDERED IN JANUARY WITH DELIVERY PROMISED IN SIX TO EIGHT WEEKS BY THE SALESPERSON. IT IS JUNE AND THE COUCH HAS STILL NOT BEEN DELIVERED.

The respondents overwhelmingly agreed (99%) that the retailer should voluntarily notify the customer if the couch cannot be delivered as promised and give the customer the option of waiting or cancelling (Table 4.23).

Almost half (49%) agreed with the education alternative of learning that most furniture delivery dates are beyond the control of the retailer, but over a third (36%) disagreed with the statement. The legislative option, that the consumer should get a full refund if the furniture cannot be delivered within 60 days of the promised date, was supported by 70% of the respondents.

SITUATION I: SALESMAN TOLD USED CAR PURCHASER THAT THE ENGINE HAD RECENTLY BEEN REBUILT. TWO WEEKS AFTER THE PURCHASE THE CAR ENGINE NEEDED EXTENSIVE REPAIRS.

The majority of the respondents felt the car dealer should voluntarily (83%) fix the car (Table 4.24). The majority (76%) of the respondents also supported the concept of legislation requiring a 30-day warranty on all used car sales. Only a small percentage (15%) felt the consumer should pay to get the car fixed. Further analysis of these data revealed that consumers in all income, age, sex, and educational categories had similar responses. Those in the clerical, sales, and craftsman occupational category disagreed slightly less with the statement that the dealer should voluntarily fix the car.

Table 4.23--Responses to Problem Situation H: A Couch was Custom Ordered in January with Delivery Promised in 6-8 Weeks by the Salesperson. It is June and the Couch has Still Not Been Delivered.

Alternatives	Agree Strongly		Agree Somewhat		Undecided		Disagree Somewhat		Disagree Strongly		Mean Score
	No.	%	No.	%	No.	%	No.	%	No.	%	
The retailer should voluntarily notify the customer if the couch cannot be delivered as promised and give the customer the option of waiting or cancelling the order.	200	89.7	20	9.0	1	.4	0	0	2	.9	4.87
Legislation should require a full refund if the order cannot be delivered within a maximum of thirty days from the promised date.	113	51.8	40	18.3	26	11.9	21	9.6	18	8.3	3.96
The consumer should be educated to realize that delivery dates for most furniture are beyond the control of the retailer.	44	20.2	64	29.4	32	14.7	37	17.0	41	18.8	3.15

Table 4.24--Responses to Problem Situation I: Salesman Told Used Car Purchaser That the Engine Had Recently Been Re-Built. Two Weeks After the Purchase the Car Engine Needed Extensive Repairs.

Alternatives	Agree Strongly		Agree Somewhat		Undecided		Disagree Somewhat		Disagree Strongly		Mean Score
	No.	%	No.	%	No.	%	No.	%	No.	%	
Consumers should be educated to insist that oral statements be put in writing before signing a contract.	166	75.5	41	18.6	6	2.7	3	1.4	4	1.8	4.64
The used car dealer should voluntarily fix the car engine since the salesman obviously was not telling the truth.	155	70.8	26	11.9	19	8.7	13	5.9	6	2.7	4.42
There should be legislation requiring a 30-day warranty on all cars sold by used car dealers.	131	59.3	37	16.7	25	11.3	16	7.2	12	5.4	4.17
The consumer should pay to get the engine fixed as he should know that all used cars are sold "as is" and what that means.	13	5.9	20	9.1	24	11.0	45	20.5	117	53.4	1.94

Other Findings

Statements were included in the survey to assess attitudes of consumers toward some emerging issues. No attempt was made to test hypotheses in these areas, as some of the statements were exploratory in nature. These findings can, however, provide a basis for future research to expand on and replicate.

Attitudes Toward Special Protection in the Marketplace for Senior Citizens

The economic impact of high prices and deception takes a high toll on one particular segment of society--those who are retired. The statement, "Senior citizens need special consideration in the marketplace" was included in the survey to ascertain attitudes toward the concept of "unconscionable behavior."

In lay terms, unconscionable behavior is when one party takes advantage of another who is unable to protect himself, as in the case of the senile widow who is bilked by a furnace or roofing contractor. A legal definition is, "An unconscionable bargain or contract is one which no man in his senses, not under delusion, would make, on the one hand, and which no fair and honest man would accept, on the other" (Black, 1968, p. 1695).

Many senior citizens do not need any special protection, particularly the recently retired in good health. The element of unconscionable contracts becomes an issue with the "older" senior citizen who may have impairments that put him or her at a disadvantage, particularly in contractual dealings on items of which they

have no knowledge. The issue also is raised in dealings with the less educated poor, but this was not dealt with in this study.

In this study, those already retired hold a more favorable attitude toward special protection in the marketplace for senior citizens (84%) than those who are not yet retired (68.8%) (Table 4.25).

Table 4.25--Responses to Statement: Senior Citizens Need Special Protection in the Marketplace.

Attitude	Retired		Not Retired	
	No.	%	No.	%
Agree	42	84%	118	68.6%
Undecided	4	8	15	8.7
Disagree	4	8	39	22.7

Attitudes Toward Advertising Aimed Directly at Children

Parents and educators have become increasingly concerned about the impact on children of television and television advertising. The statement, "Advertising that is aimed directly at children should be subject to a review board" was included to ascertain attitudes toward greater government involvement in this area.

While no statistical tests were run on the statement, it should be noted that 82% of the respondents agreed with the statement and only 12.3% disagreed (Table 4.26).

Table 4.26--Responses to Statement: Advertising That Is Aimed Directly at Children Should Be Subject to a Review Board.

Attitude	No.	Percent
Agree Strongly	136	61.3
Agree Somewhat	46	20.7
Undecided	13	5.9
Disagree Somewhat	20	9.0
Disagree Strongly	7	3.2
Mean = 4.279		St. Dev. = 1.115 - 4.427

Attitudes Toward Price Marking
in Supermarkets With Computer
Checkouts

The statement on price marking on specific items in stores using computer checkouts was included because it is a contemporary issue facing consumers and there is no data base to provide input to legislators and consumerists.

The majority of consumers in all age, education, income, and occupation categories disagreed with the statement, "Supermarkets who have the new computer checkouts should not have to mark prices on individual items." Chi-square tests indicated no significant difference in attitudes among the groups. Attitudes held by those in various demographic categories are listed in Table 4.27. Table 4.28 includes responses before they were condensed for cross-tabulation.

Table 4.27--Responses to Statement: Supermarkets Who Have the New Computer Checkouts Should Not Have to Mark Prices on Individual Items by Age, Income, Education, Sex and Occupation.

Category	Disagree %	Undecided %	Agree %
<u>Age</u>			
Under 34	74.7	10.1	15.2
35-54	76.8	10.7	12.5
Over 55	81.2	7.1	11.8
<u>Income</u>			
Under 9,999	80.0	9.3	10.7
10,000-19,999	71.6	11.4	17.0
Over 20,000	82.7	5.8	11.5
<u>Education</u>			
Less than high school graduate	76.5	5.9	17.6
High school graduate with some college	79.5	9.8	10.6
College graduate	74.6	8.5	16.9
<u>Sex</u>			
Male	73.1	13.0	13.9
Female	82.3	5.3	12.4
<u>Occupation</u>			
Professional-Technical-Administrative-Managerial	76.3	11.9	11.9
Clerical-Sales-Craftsman	79.1	6.6	14.3
Service-Household	78.8	10.6	10.6

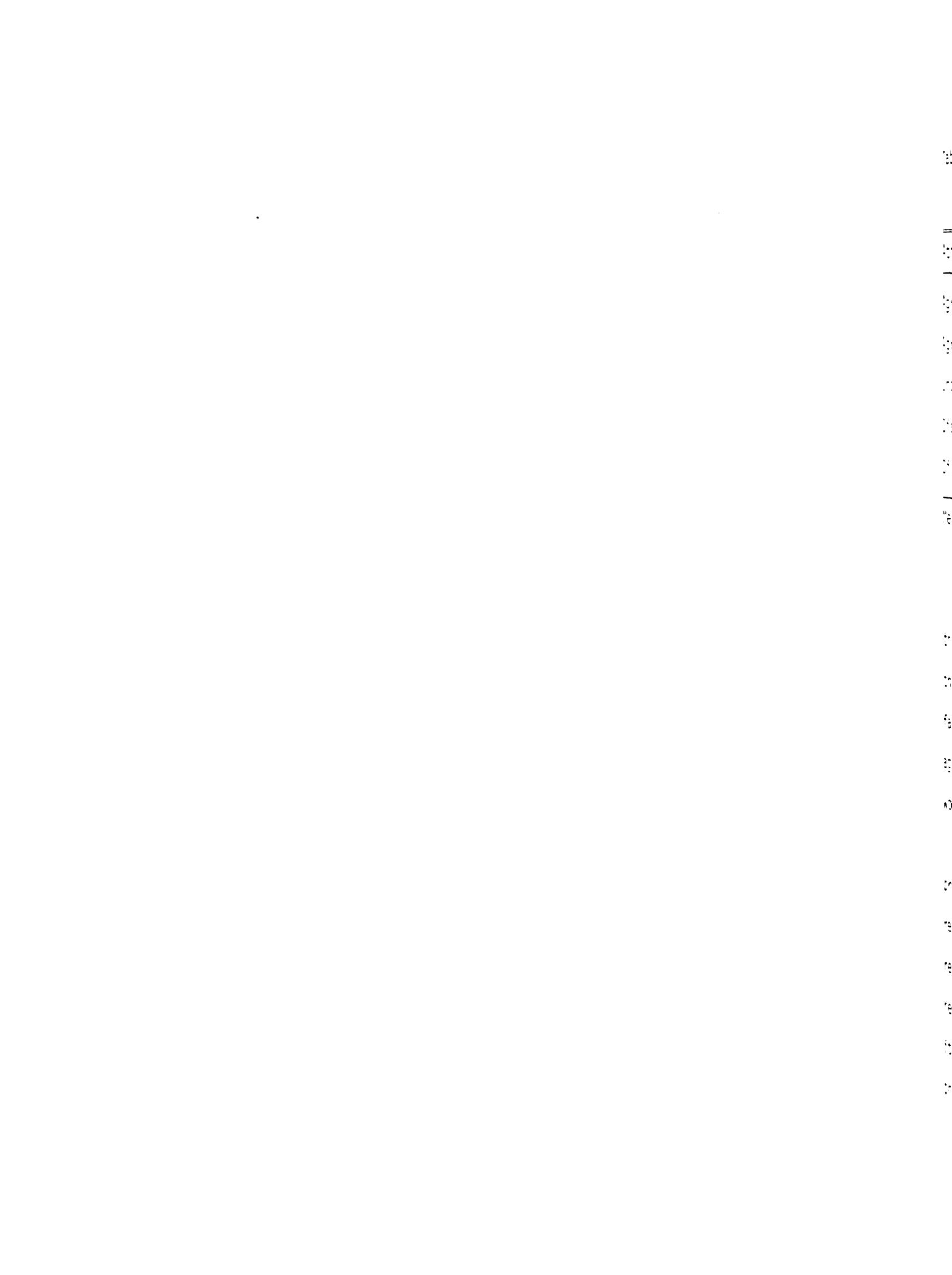


Table 4.28--Responses to Statement: Supermarkets Who Have the New Computer Checkouts Should Not Have to Mark Prices on Individual Items.

Attitude	Number	Percent
Agree Strongly	14	6.3
Agree Somewhat	15	6.8
Undecided	20	9.0
Disagree Somewhat	28	12.6
Disagree Strongly	145	65.3
Mean Score = 1.761		St. Dev. = 1.237 - 1.925

While there are no significant differences between groups, there are some conclusions that can be drawn. Those earning less than \$10,000 and those earning over \$20,000 have stronger feelings favoring required price markings. Those respondents over 55 years of age also felt more strongly that prices should be marked, as did the women respondents.

Consumerists have favored legislation requiring individual price markings and have been accused, by the opposing groups, of not representing the views of consumers. The finding that 80% of the respondents disagree with the statement, "Supermarkets who have the new computer checkouts should not have to mark prices on individual items" clearly supports the position that consumerists do represent the views of consumers.

CHAPTER V

SUMMARY, CONCLUSIONS, AND IMPLICATIONS

This chapter presents the findings, conclusions, and implications of the research. The first part provides an overview of the purpose of the research and methodology. The second part is a summary of the findings reported in Chapter IV. The third part includes conclusions and implications that can be drawn from this research. The last part makes recommendations and suggestions for future research.

Methods and Objectives

This research attempted to assess consumer attitudes toward the prevention and resolution of selected consumer problems and issues. The first part of the study involved 24 Likert-type statements related to government intervention, business responsibility, and consumer education as measures for preventing consumer problems.

The second part of the study listed nine common consumer problems and proposed solutions that involved government intervention, voluntary business responsibility, and consumer education solutions. Using a five-point Likert scale, the respondents indicated their agreement or disagreement with each proposed solution.

In addition, there were questions included in the survey to provide exploratory data on contemporary consumer issues such as

price marking in supermarkets using computer checkouts, television advertising aimed at children, and special marketplace consideration for the senior citizen.

Questions on age, sex, occupation, income, education, and employment status were included so responses could be cross-tabulated by demographic categories. These questions also facilitated a comparison of the sample to the population characteristics.

The survey was mailed to randomly selected names in five metropolitan areas: Denver, Colorado; Atlanta, Georgia; Detroit, Michigan; Kansas City, Missouri; and Seattle, Washington. The cities represented diverse industries, occupations, unemployment rates, incomes, and educational levels. The names were generated from computer runs of the R. L. Polk Co. personalized occupational mailing lists. These lists contained names, addresses, and a code for occupational category.

The survey instrument was mailed to 735 homes during July and August, 1976. There were 224 surveys returned, 223 of which were usable. After deducting for questionnaires that were returned for non-delivery, the return rate was 33%. The respondents represented a cross-section of the population in terms of income, age, occupation, sex, and education.

Chi-square analysis was used, since ordinal data were involved, to infer if any of the demographic variables were statistically associated with the consumer attitudes expressed in the survey.

SummaryHypotheses

The following hypotheses were supported by this research.

A discussion of these is included in Chapter IV.

- Hypothesis 1.2 There is a significant relationship between sex and attitudes toward government intervention to prevent consumer problems.
- Hypothesis 1.3 There is a significant relationship between education and attitudes toward government intervention to prevent consumer problems.
- Hypothesis 1.4 There is a significant relationship between income and attitudes toward government intervention to prevent consumer problems.
- Hypothesis 1.5 There is a significant relationship between occupation and attitudes toward government intervention to prevent consumer problems.
- Hypothesis 2.2 There is a significant relationship between sex classification and attitudes toward voluntary business responsibility to prevent consumer problems.
- Hypothesis 3.2 There is a significant relationship between sex and attitudes toward consumer education to prevent consumer problems.
- Hypothesis 3.3 There is a significant relationship between educational level and attitudes toward consumer education.
- Hypothesis 3.4 There is a significant relationship between income and attitudes toward consumer education to prevent consumer problems.
- Hypothesis 4.3 There is a significant relationship between education and attitudes toward alternate solutions to common consumer complaint situations.
- Hypothesis 4.4 There is a significant relationship between income and attitudes toward alternate solutions to common consumer complaint situations.
- Hypothesis 4.5 There is a significant relationship between occupation and attitudes toward alternate solutions to common consumer complaint situations.

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Other Findings

There was general agreement in attitudes toward most alternate solutions to common consumer problems in the survey. The highest level of agreement came in the area of voluntary business responsibility, where agreement ranged from a low of 57% to a high of 98.7% with six of the problem situations having agreement levels above 80%.

The range of agreement with government intervention solutions ran from 53% to 83%. Five of the situations had agreement levels falling in the 70% range.

There was least agreement with education solutions, where the range of agreement ran from 16% to 92%. One of the reasons for the diversity is evident from the write-in comments where respondents indicated that consumers should not be educated to accept the status quo; the problem should be resolved by voluntary business action or government intervention.

The majority of the respondents felt business should voluntarily produce better quality products even if they cost more, perform all in-warranty work without a labor charge, replace defective in-warranty products that cannot be fixed within 30 days, provide informative advertising, be concerned about having satisfied customers, and voluntarily correct consumer problems. There was some skepticism expressed, but the majority supported the concept of business groups setting up arbitration panels with impartial participants to decide on the merits of disputed complaints. There

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were diverse opinions on whether the manufacturer or retailer should be responsible for providing service on appliances.

Respondents supported more legislation at the federal level so those who are fraudulent cannot move to another state to avoid prosecution. They also supported legislation requiring that consumer contracts be written in language easy for average consumers to understand and extending the 3-day cooling-off period to all sales contracts over \$35.

More supported government involvement in community consumer education programs than did not; however, a majority neither supported nor did not support this concept. The majority supported the concept of consumer education courses for adults and high school students. They also supported the idea of a local consumer specialist whom residents could contact for information before making a purchase.

There was general agreement that senior citizens need special protection in the marketplace. Those already retired supported the concept to a greater extent. The majority of the respondents agreed that advertising aimed at children should be subject to a review board. They also agreed that supermarkets should still price mark individual items when computer scanners are used.

The majority supported the concepts that manufacturers should make better quality products which cost more initially but require less service and that consumers should be educated to purchase more energy-efficient appliances that cost more to purchase initially but cost less to operate. The majority agreed that the cost of corrective pollution-control equipment should be included

in the selling price of the specific products that cause the pollution rather than being subsidized by taxpayers at large through a tax subsidy.

Conclusions and Implications

The first conclusion is that consumers in all demographic categories support voluntary business responsibility to prevent and resolve consumer problems. This supports the findings of Barksdale and Darden (1972), who found no significant difference in attitudes toward business policies and practices by occupation or sex. It also supports the findings of Gazda (1974) that consumers prefer voluntary business responsibility to government intervention.

The second conclusion is that if business does not voluntarily correct marketplace problems, consumers will demand legislative remedies. All demographic categories in this study had high scores on government solutions to actual consumer problems, with those in the lower income groups, working in less skilled occupations, tending to rank government solutions the highest. The positive attitudes toward government solutions concur with the findings of Barksdale and Darden (1972), who found that, although criticism of governmental policy and performance is increasing, respondents in their study were very receptive to legislative solutions to consumer problems. Swan and Longman (1973) also found that consumer supported government regulation. La Barbara (1976) found that consumers in higher income and corresponding occupational categories supported government intervention, although in this study they supported it less than those in the lower income groups.

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Considering the strength of the attitudes toward government intervention to resolve as well as prevent consumer problems, it appears that time is running out for business. If it does not, of its own accord, voluntarily correct marketplace abuses and consumer problems, then consumer sentiment may force more legislation to protect the consumer interest. Wallich (1962) states freedom was once considered freedom from arbitrary government. Today freedom is considered differently--it seeks to establish the economic rights of man. The old freedom was freedom from; the new freedom is mainly freedom to, according to Wallich. In a consumerism perspective, it may well be the new freedom is for consumers to have equal footing in the marketplace.

A third conclusion is that consumers generally favored consumer education, but not necessarily as a means of preventing consumer problems. Those with the most education in this study were most in agreement with education solutions to actual consumer problems. Since there were comments that education should not be a solution to some of the problems stated, conclusions must be carefully drawn. The comments by respondents indicated that the problem should be prevented or resolved by other measures and that education was merely an acceptance of the status quo. While all categories supported consumer education to prevent problems from occurring in the first place, those in the lowest income category and females tended to support preventive consumer education to an even greater extent. It may reflect their lack of knowledge in over-all

consumer matters and their resulting feeling of powerlessness to cope in a complicated marketplace.

A fourth conclusion is that business should pay more attention to the attitudes of consumers in the grey areas--where ethical issues rather than legal issues are at stake. Consumers in this study showed little variance in what they felt was an ethical or fair solution to problems that fall in the grey area. Business needs to become more sensitive to how individuals feel about consumer issues and problems. They need to consider the impact of their warranty, service, and pricing policies on family resources of time, energy, and money. They need to consider not only the initial cost, but the secondary costs due to product defects and failures.

A fifth conclusion is that factors other than standard demographic variables such as age, sex, income, occupation, and education must also be operative in determining consumer attitudes. Although there were statistically significant differences between some categories, there was over-all general agreement on most statements with the responses skewed in one direction. This conclusion is similar to that of Thomas (1974), who indicated that differences in attitudes exhibited by respondents were generally not explainable on the basis of the demographic, socioeconomic, or psycho-political variables considered in his research. The role of previous satisfactory and unsatisfactory marketplace experiences needs to be investigated.

A sixth conclusion is that the majority of consumers are now aware of life cycle costs of a purchase and thus indicate a

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willingness to support higher priced products if they require less service and cost less to operate.

Recommendations

Recommendations to the Business Community

Based on the findings of this study, it appears that business should explore the feasibility of providing warranties that include labor as well as parts and developing a system for exchanging products that cannot be satisfactorily fixed within 30 days.

Business should make a greater effort to obtain consumer views on what are considered fair solutions to common consumer problems and balance these views along with the more traditional decision-making factors.

Since the majority of the respondents in this study supported voluntary business self-regulation, a greater effort should be made by the business community to resolve complaints so it is not necessary for consumers to turn to legislation to prevent and resolve consumer complaints.

Recommendations to the Education Community

Since respondents supported consumer education both for secondary school students and adults, such programs need to be expanded so that more students have the opportunity to participate in consumer education courses. Community programs for adults should be expanded. The cooperative extension service should

consider expanding and publicizing its role as a source of consumer information.

Consumer educators need to analyze their curriculum to determine if they are including the competencies needed to function in today's marketplace, including an analysis of the costs and benefits of government regulation.

Public Policy Recommendations

Legislators need to consider the views of consumers as well as business when considering legislation that affects both the business community and consumers. They need to consider the costs to government, consumers, and business of passage and also the costs to consumers of not passing legislation to correct identified consumer problems.

Legislators need to consider the implications of non-uniform laws governing consumer transactions and the need for consumer contracts that can be read and understood without the aid of an attorney.

Based on this research it is recommended that the federal government continue its role as a provider of consumer information and expand its function in the area of product standards.

Recommendations for Future Research

Research is needed to analyze the characteristics of consumers who find themselves in problem situations that could have been avoided. Such research could use existing data banks of complaint types and provide a basis for segmenting consumers into

groups. The needs of the various subgroups could be identified and appropriate educational strategies designed to meet their needs.

A second research recommendation is to determine when and how consumers in varying demographic categories would like to receive information needed to make purchases. Such research would assist those involved in consumer education programs to better meet the needs of specific subgroups.

A third research recommendation is to study pre-purchase behavior to identify alternate decision styles. Existing marketing research in this area could also be used. Greater awareness of specific decision-making styles would be an aid to better understanding the decision processes used by consumers.

A fourth research recommendation is to study the characteristics of satisfying and unsatisfying purchases including pre-purchase search, motivation for purchase, decision-making style, information-gathering processes, and other factors related to the purchase. Such information would contribute to the building of a model to predict characteristics of satisfying purchases. This would be a useful model for consumer educators.

A fifth recommendation is that consumer organizations, in cooperation with universities, attempt to find inexpensive methods to determine attitudes on contemporary issues that affect consumers. This would alleviate the opportunity for vested interest groups to say consumerists do not accurately represent the views of consumers, as a data base on issues would be available.

A sixth recommendation is an exploratory study to determine the feasibility of setting up an information system where consumers could have input and could receive output on merchants and products. This would be patterned after the Better Business Bureau concept, but there would be more input from consumers and they would be able to receive more output on merchants and products available in a trading area. The research would have to explore the feasibility, the costs, and the organization needed to establish and support such a consumer information system.

A seventh recommendation is to replicate the study to establish external validity using a broader sample that includes more states and communities of varying sizes and types: rural, small town, urban, and suburban. It is this researcher's opinion, however, that rather than replicating this exact study any further research should be based on a revised instrument, considerably shorter and incorporating insights gained from this research project. Such a revised questionnaire could also be sent to businessmen and consumerists so that attitudes could be compared.

APPENDICES

APPENDIX A
QUESTIONNAIRE

MICHIGAN STATE UNIVERSITY

COLLEGE OF HUMAN ECOLOGY • DEPARTMENT OF FAMILY ECOLOGY

EAST LANSING • MICHIGAN • 48824

Dear Consumer:

Your help is needed! As a part of my graduate work I am completing a research study on attitudes toward the resolution of consumer issues.

The questionnaire has two sections. Both require only that you state how much you agree or disagree with each statement. There are no right or wrong answers. It is your opinion about how consumer problems and issues should be resolved that is important.

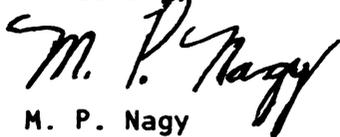
Any adult member of the household may complete the questionnaire. It is very important, however, that someone in your household complete the questionnaire so that we will have representation from different parts of the country. A return envelope which needs no postage is enclosed for your convenience.

The results will be tabulated and compared by groups such as education, sex and occupation, but all individual responses will be anonymous. The questionnaires have been numbered only so that I can follow-up on those who have not returned it by August 12.

If you wish to ask any specific questions about the questionnaire or the study, please do not hesitate to contact me.

I sincerely appreciate your cooperation in promptly answering and returning this questionnaire by August 12.

Sincerely,



M. P. Nagy

P.S. Please feel free to write comments next to any statement you either do not understand or wish to qualify.

PLEASE READ EACH STATEMENT CAREFULLY. THEN INDICATE WHETHER YOU AGREE OR DISAGREE WITH IT. CIRCLE THE NUMBER THAT INDICATES YOUR AGREEMENT OR DISAGREEMENT.

(Note: There are no right or wrong answers)

	AGREE STRONGLY	AGREE SOMEWHAT	UNDECIDED	DISAGREE SOMEWHAT	DISAGREE STRONGLY
1. Manufacturers should make better quality products which require less service even if they cost the consumer more.	5	4	3	2	1
2. There should be more consumer legislation at the federal level so those who are unethical or fraudulent cannot move their business from state to state to avoid prosecution.	5	4	3	2	1
3. Government should <u>not</u> become involved in community consumer education programs.	5	4	3	2	1
4. Advertising that is aimed directly at children should be subject to a review board.	5	4	3	2	1
5. Businesses should be required to write their legal contracts in language easy for average consumers to understand.	5	4	3	2	1
6. Businessmen should be concerned about their customers being satisfied and voluntarily correct consumer problems.	5	4	3	2	1
7. Local or county government should have a consumer specialist whom residents can contact for information before making a purchase decision.	5	4	3	2	1
8. There should be a three day "cooling off" period on <u>all</u> consumer contracts over \$35. (This means there is a three day period in which the consumer can change his mind and cancel the contract.)	5	4	3	2	1
9. Advertising should be less persuasive and more informative about features and product limitations.	5	4	3	2	1
10. Government should concentrate on <u>preventing</u> complaints.	5	4	3	2	1
11. Local or state government should have a consumer complaint office to help consumers resolve complaints only where there is fraud.	5	4	3	2	1
12. Students should be exposed to consumer education before they graduate from high school.	5	4	3	2	1
13. The federal government should establish quality standards for products so consumers can compare and make more informed choices.	5	4	3	2	1
14. Consumers have access to enough information on which to base their buying decisions.	5	4	3	2	1

	AGREE STRONGLY	AGREE SOMEWHAT	UNDECIDED	DISAGREE SOMEWHAT	DISAGREE STRONGLY
15. Senior citizens should have special protection in the marketplace.	5	4	3	2	1
16. Business should voluntarily replace defective products within the warranty period if they cannot be fixed within 30 days of the product failure,	5	4	3	2	1
17. Consumer education would prevent few consumer problems.	5	4	3	2	1
18. All in-warranty work should voluntarily be done by the manufacturer without a labor charge.	5	4	3	2	1
19. There should be adult oriented classes in consumer education.	5	4	3	2	1
20. Business groups such as car dealers should set-up an arbitration panel with impartial participants to decide on the merits of disputed service complaints.	5	4	3	2	1
21. Supermarkets who have the new computer check-outs should <u>not</u> have to mark prices on individual items.	5	4	3	2	1
22. Government sponsored consumer complaint agencies should publish a list of the firms with the number of complaints against each firm.	5	4	3	2	1
23. Business should honor all oral promises and statements that affect product performance made by their salesmen, even if not written in the contract.	5	4	3	2	1
24. There should be a cabinet level Office of Consumer Affairs in Washington, to protect the consumers' interest.	5	4	3	2	1
25. Consumers should be educated to purchase more energy efficient appliances that cost more to purchase initially, but cost less to operate.	5	4	3	2	1
26. The manufacturer, not the local retailer, should be responsible for providing service on appliances.	5	4	3	2	1
27. Government should <u>not</u> get involved in consumer complaint resolution.	5	4	3	2	1

DIRECTIONS: PLEASE READ EACH SITUATION AND THEN INDICATE YOUR AGREEMENT OR DISAGREEMENT WITH EACH PROPOSED SOLUTION. THERE ARE NO RIGHT OR WRONG ANSWERS. CIRCLE THE NUMBER THAT AGREES WITH YOUR OPINION.

	AGREE STRONGLY	AGREE SOMEWHAT	UNDECIDED	DISAGREE SOMEWHAT	DISAGREE STRONGLY
A. THE CONSUMER PURCHASED A NEW CAR. IT HAS HAD FREQUENT SERVICE AND THE CAR STILL DOES NOT OPERATE RIGHT. THE WARRANTY HAS RUN OUT AND THE MAIN PROBLEM HAS STILL NOT BEEN FIXED.					
28. The manufacturer should voluntarily agree to fix the unit free since the complaint existed during the warranty period.	5	4	3	2	1
29. There should be legislation that requires manufacturer to fix the car since the defect was present during the warranty period.	5	4	3	2	1
30. The consumer should pay to get the problem fixed. The car is out of warranty and the manufacturer or dealer has no responsibility.	5	4	3	2	1
31. There is no way the consumer could learn to avoid this problem.	5	4	3	2	1
B. A NEW PORTABLE APPLIANCE DOES NOT WORK AFTER ONE WEEK'S USE. THE LOCAL SERVICE AGENCY DOES NOT HAVE REPAIR PARTS AND DOES NOT KNOW WHEN THEY WILL BE AVAILABLE. THEY HAVE HAD THE UNIT A MONTH AND ARE UNABLE TO FIX IT.					
32. The retailer who sold the appliance should exchange it voluntarily for a new one.	5	4	3	2	1
33. There should be a law prohibiting manufacturers from distributing products unless repair parts are in stock and available for immediate shipment to service agencies and consumers.	5	4	3	2	1
34. The consumer should be educated to demand a new unit from the retailer who sold it.	5	4	3	2	1
C. A CONSUMER GOODS MANUFACTURER HAS BEEN POLLUTING THE WATER AND AIR. TO ELIMINATE THE POLLUTION EXPENSIVE EQUIPMENT WILL HAVE TO BE INSTALLED. HOW SHOULD THESE COSTS BE COVERED?					
35. Educate the consumer that part of the increased price of products is due to costs of the required anti-pollution equipment.	5	4	3	2	1
36. Have all taxpayers subsidize the cost of installing equipment by providing a federal tax credit to the company.	5	4	3	2	1
37. Have business absorb the costs of pollution equipment.	5	4	3	2	1

	AGREE STRONGLY	AGREE SOMEWHAT	UNDECIDED	DISAGREE SOMEWHAT	DISAGREE STRONGLY
D. THE CONSUMER PURCHASED A REFRIGERATOR/FREEZER COMBINATION UNIT. ON A FRIDAY EVENING TWO MONTHS AFTER PURCHASE, THE UNIT STOPPED OPERATING. SERVICE COULD NOT BE REACHED UNTIL MONDAY MORNING. THEY COULD NOT SEND A REPAIRMAN OUT UNTIL WEDNESDAY. THE CONSUMER LOST \$250 WORTH OF FOOD FROM THE FREEZER. THE FREEZER WAS FIXED WITHOUT CHARGE SINCE THE UNIT WAS IN WARRANTY.					
38. The retailer who sold the unit should be required to provide prompt service.	5	4	3	2	1
39. The manufacturer should be required to see that prompt service is available.	5	4	3	2	1
40. If prompt service is not available the consumer should be reimbursed for food lost.	5	4	3	2	1
41. The consumer is just out of luck. The consumer should have gotten dry ice. The manufacturer should have no liability for lost food.	5	4	3	2	1
E. THIS SITUATION IS THE SAME AS ABOVE (D) EXCEPT THAT THE REFRIGERATOR/FREEZER COMBINATION IS NOW SIX YEARS OLD AND OUT OF WARRANTY. THE CONSUMER, THEREFORE, HAD TO PAY FOR FIXING THE UNIT. WHAT ABOUT THE FOOD THAT WAS LOST?					
42. The consumer is just out of luck. The consumer should have tried to get dry ice or take the food to a neighbor's house. The manufacturer should have no liability for lost food.	5	4	3	2	1
43. The manufacturer should be legally responsible for seeing that prompt service is available even if the unit is out of warranty.	5	4	3	2	1
44. If prompt service is not available the consumer should be reimbursed for the food lost, even if the unit is out of warranty.	5	4	3	2	1
45. Manufacturers of refrigerators/freezers should offer consumers an insurance policy to cover reimbursement for the cost of food lost due to out of warranty breakdowns.	5	4	3	2	1

	AGREE STRONGLY	AGREE SOMEWHAT	UNDECIDED	DISAGREE SOMEWHAT	DISAGREE STRONGLY
F. THE CONSUMER PURCHASED A COAT OF A NEW MATERIAL. TWO CLEANERS REFUSED TO TAKE THE GARMENT EVEN THOUGH IT WAS LABELED "DRY CLEAN". A THIRD CLEANER DID TAKE IT. THE GARMENT WAS RUINED IN THE CLEANING PROCESS.					
46. The law should require the cleaner to pay for the garment.	5	4	3	2	1
47. The law should require the manufacturer to reimburse the purchaser through the retailer.	5	4	3	2	1
48. The retailer should voluntarily reimburse the purchaser and send the garment back to the manufacturer.	5	4	3	2	1
49. The manufacturer should voluntarily test completed garments to be sure that they do clean as labeled.	5	4	3	2	1
50. The consumer should be educated to be wary of care labels when the garment is made of several different materials.	5	4	3	2	1
51. Legislation should require manufacturers to test garments to be sure they can be cleaned as they are labeled.	5	4	3	2	1
G. THE CONSUMER HAS SIGNED A CONTRACT TO HAVE A SPECIFIC HOME IMPROVEMENT DONE. THE CONTRACTOR HAS PROMISED ORALLY HE WOULD START REMODELLING THE BATHROOM WITHIN TWO WEEKS AND BE DONE IN A MONTH. TWO MONTHS HAVE GONE BY AND NOTHING HAS HAPPENED EXCEPT THE DEPOSIT CHECK HAS BEEN CASHED.					
52. Consumers should be educated to request firm starting and completion dates in writing in any contracts they sign.	5	4	3	2	1
53. The builder home improvement contractor trade association should put pressure on the contractor to finish the job.	5	4	3	2	1
54. There should be legislation requiring that all consumer contracts have written starting and completion dates. If the contractor does not live up to these dates the consumer is relieved of his obligation and can get someone else to complete the project.	5	4	3	2	1
55. Only state licensed home improvement contractors should be allowed to advertise or do home improvement work. Thus, when situations like this arise the licensing bureau could intervene on behalf of the consumer.	5	4	3	2	1

	AGREE STRONGLY	AGREE SOMEWHAT	UNDECIDED	DISAGREE SOMEWHAT	DISAGREE STRONGLY
H. A COUCH WAS CUSTOM ORDERED IN JANUARY WITH DELIVERY PROMISED IN 6 - 8 WEEKS BY THE SALESPERSON. IT IS JUNE AND THE COUCH HAS STILL NOT BEEN DELIVERED.					
56. The retailer should voluntarily notify the customer if the couch cannot be delivered as promised and give the customer the option of waiting or cancelling the order.	5	4	3	2	1
57. Legislation should require a full refund if the order cannot be delivered within a maximum of thirty days from the promised date.	5	4	3	2	1
58. The consumer should be educated to realize that delivery dates for most furniture are beyond the control of the retailer.	5	4	3	2	1
I. SALESMAN TOLD USED CAR PURCHASER THAT THE ENGINE HAD RECENTLY BEEN RE-BUILT. TWO WEEKS AFTER THE PURCHASE THE CAR ENGINE NEEDED EXTENSIVE REPAIRS.					
59. The used car dealer should voluntarily fix the car engine since the salesman obviously was not telling the truth.	5	4	3	2	1
60. There should be legislation requiring a thirty day warranty on all cars sold by used car dealers.	5	4	3	2	1
61. Consumers should be educated to insist that oral statements be put in writing before signing a contract.	5	4	3	2	1
62. The consumer should pay to get the engine fixed as he should know that all used cars are sold "as is" and what that means.	5	4	3	2	1

PLEASE PUT AN X IN THE PARENTHESIS () NEXT TO YOUR AGE AND SEX CATEGORY

Do Not write in this column

AGE

SEX

- A. Under 25
- B. 25 - 34
- C. 35 - 44
- D. 45 - 54
- E. 55 - 64
- F. 65 and over

- Male
- Female

MARITAL STATUS

- Single
- Married
- Divorced or Widowed

63.

64.

65.

PUT AN X IN THE BRACKET NEXT TO THE CATEGORY THAT FITS YOUR FAMILY INCOME

- A. Under \$3,000
- B. \$3,000 - \$4,999
- C. \$5,000 - \$6,999
- D. \$7,000 - \$9,999
- E. \$10,000 - \$14,999
- F. \$15,000 - \$19,999
- G. over \$20,000

66.

PUT AN X IN THE BRACKET () NEXT TO THE HIGHEST LEVEL OF EDUCATION YOU HAVE COMPLETED.

- A. Grade school
- B. Some High School
- C. High School Graduate
- D. Some College
- E. College Graduate

67.

PUT AN X IN THE BRACKET () NEXT TO ALL CATEGORIES THAT APPLY TO YOU.

- A. Both spouses employed
- B. Retired head of household
- C. Head of family currently unemployed, but not retired

68.

69.

70.

PLEASE WRITE IN YOUR CURRENT OCCUPATION _____
(If retired or unemployed indicate your occupation when employed)

71.

PLEASE WRITE IN THE NAME OF YOUR STATE _____

72.

73. - 75.

APPENDIX B

COMPUTER PRINT-OUT

REFERENCE LIST

REFERENCE LIST

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