

Co-operation and the Consumer

CO-OPERATIVE CONSUMERISM - AN EMPEROR WITH NO CLOTHES?

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The links between the Co-operative Movement and organisations representing the consumer have been referred to so often that it is almost sacrilegious to question the presumed harmony. Likewise the belief in our own Movement that the Co-operative Society is the consumers' best friend. Both the claims have been pronounced proudly in discussions of consumer issues at Co-operative conferences and in our literature. And there is indeed, some evidence to support the contentions, which is best exemplified in the Movement's record of Consumer Education and the consistent campaigns by Parliamentary representatives to provide legislation to protect the consumer. But there is also much to refute such claims.

Originally, my intention was to chronicle the realisation of these claims over the last twenty years: to review the relationships between the Co-operative Movement and the various consumer organisations which have developed within that time, and to discuss the various ways in which the contemporary Co-operative Movement has upheld the rights of consumers. However, as I scoured the literature for the relevant information a rather different picture emerged which threw much doubt on the validity of both claims. Instead, the purpose of this essay is to look critically at these claims and to evaluate them firstly against the backcloth of the Co-operative Movement and consumerism since the early 60's, and secondly against the local scenario of society - consumer relations. Both tasks are difficult to accomplish

satisfactorily given the paucity of factual information on either situation.

Contemporary Consumerism and Co-operation

The definitive history of consumerism in Britain over the last twenty years has yet to be written. Yet, certain features of its emergence and development are widely recognised. If there is a single starting point it is obviously the work of Michael Young, founder of Which? and force behind the establishment of the Consumers' Council. In the affluent 60's the consumers' voice grew from these small beginnings and was projected into a good many corridors of power. By the late 70's this particular phase of consumerism appears to have reached a watershed. There seem to be two reasons for this current situation. Firstly, the enormous spate of consumer legislation and the establishment of statutory national and local agencies to deal with the consumers' problems have drawn the teeth of this earlier generation of consumers. The new generation which might have followed them have instead taken as their model Ralph Nader's ecology - conscious consumerism(1). This new consumerist is not so interested in where he or she can buy the cheapest baked beans or packet of tea, as much as in the realisation of objectives similar to those which motivated the Rochdale Pioneers. However, the parallels between the founders of our own Movement and the young people who today establish Co-operatives to market "unadulterated foods" and products not dependent on the crude exploitation of the Third World seem to have been ignored by the modern Co-operator.

Certainly, we owe our origins to individuals who came together to protect themselves and other consumers from the unscrupulous retailers and manufacturers of the day. Yet while consumerism was having its heyday the Co-operative Movement was very much in the doldrums. Before we could respond to the demands of the consumer in the 1960's a

vast programme of rationalisation was required. Co-operative consumerism, we were told, was very much alive but required improved turnover and higher profits if it was to be fattened up and displayed in public. In the late 70's the rationalisation of our trading-up operations in stores is well in hand, but we still await the re-emergence of Co-operative consumerism and have as yet little idea of the form of which it should take. Should it take the shape of the earlier consumer movement? In some respects, yes. After all it is advisable for legal reasons, if nothing more, that we conform to the tenets of consumerism now embodied in statutes. Where do we go, though, if we want Co-operative consumerism to be somewhat fuller bodied and more distinctive in appearance? That question is still difficult to answer. Whereas ten years ago we may have looked to the external consumer movement for answers, these are not now forthcoming. Ideally, the answers should be emerging out of latterday Co-operative practice but, as the subsequent review of internal developments indicate, the prospects are none too propitious.

At the national level, then, the links between the Co-operative Movement and organisations representing the consumer are more tenuous than our literature sometimes suggests. I have argued that this has been so largely for reasons relating to the different cycles of development of these two movements and not, as is often suggested, for reasons for conflicting interests. Indeed, most of the Co-operative efforts to develop a consumerist orientation over the last decade have a similar ideological tone to the more general efforts of the consumer movement. Nevertheless, we need to acknowledge that such efforts are piecemeal in so far as they depend largely on the achievements of a handful of societies.

National Initiatives

This is not to deny the efforts made by Co-operative agencies at a national level to rectify the situation. The 1973 Report of the Working Party on Consumer Education and Protection (2) examined in some depth the role of the Movement in relation to the consumer and suggested some further lines of action.

The review of the then current situation took place under three main headings. A section on the Consumer role of the Movement as a trader reiterates three aims which the Independent Commission of 1958 proposed for retail societies;

"First to sell at prices which are never consistently under cut by any major competitor.

Secondly, never to sell shoddy or untested merchandise but only goods for which it is willing to accept complete responsibility.

Thirdly, to maintain the highest standard of shop location, layout, appearance and service."

Also repeated was the Commission's suggestion that the Co-operative Movement was "especially well placed to represent the consumer in all matters of public policy. In its evidence to Government bodies . . . it does and should take account solely of the interest of the consumer; and it should be known in the public eye as the one trading organisation which can be relied upon to do so."

Ultimately, however, the Working Party had to acknowledge that these aims had not been fully realised. Nor had the Movement been other than marginally concerned in the development of the consumerism and, in consequence, had "slipped back in the public eye as representing a significant agency for protecting the consumers' interest".

Under the circumstances, the Report felt the Co-operative Movement at all levels should not only associate itself more closely with this new consumer consciousness but that these initiatives should be backed by practical trading developments which more clearly showed the commitment of the board and the management of individual retail societies, as well as the wholesale societies.

Looking at the role of the Movement as a consumer educator the Report acknowledged the various attempts by societies to develop consumer education activities but saw no evidence of a clear national pattern. There was a suggestion, however, that a closer relationship was needed between the education activities and the trading role of societies.

Finally, the Report looked at the consumer role of the Movement in relation to other organisations. Here it mentioned the involvement of some Co-operative groups in the establishment of consumer bodies, but called for even greater efforts, whether individual or collective, in this area.

The Consumer Code

The Report's priority recommendation, was however, the elaboration of "code of practice" which would express clearly the Co-operative ideal of consumer protection. Such a code could be adopted as a basis by all British consumer Co-operatives and once publicly accepted would have direct consequences to societies in producing new trading initiatives. Other recommendations made by the Working Party were less specific and did not benefit from a priority labelling. These covered the initiatives currently being undertaken in Co-operative stores regarding consumer advice and information. Consumer goods labelling was another area which the Working Party felt could be very much improved, either as a part of the Code of practice or separately. To this end the Working

Party suggested discussions between the Co-operative Union and the Co-operative Wholesale Society. The Report also made recommendations with a view to injecting a greater consumerist flavour into Co-operative publications and meetings. Finally, it noted the inauguration of the National Consumer Conference Project the Education Department of the Union and commended it to all societies as a means of focusing consumer initiatives and resources, strengthening the flow of ideas and information between the Education Department and local societies, and bringing about a continuing dialogue involving many different aspects of the consumers' interest.

Having identified the holes to be plugged if the Co-operative Movement was to re-establish itself in the eyes of the consumer, it is somewhat disappointing that the recommendations made by the Committee were not more vigorous. Only one, the establishment of a Co-operative Consumers Code approximated to a sufficient hole-filling operation, or to use the Report's own words, gave "clear expression to the Co-operative ideal of consumer protection".

This recommendation formed the basis for the subsequent Consumer Protection Committee (3) which reported in 1975. The preamble of the Report made the now familiar points about the "challenging contemporary situation". It noted the extensive Government initiatives in the field of consumer protection, the extending and diversified activities of the voluntary consumer agencies, and the commitments of the consumer which had emerged generally in retailing practices. For the Co-operative Movement to match these developments three areas of advance were commended:

1. acceptance by societies of a uniform Co-operative Code of Practice and a Co-operative consumers' charter.

2. development of specific lines of consumer practice in society stores.
3. further collaboration between the Movement and non-Co-operative "consumerism", both nationally and locally.

In the first area the Committee formulated:

- (a) a consumers' charter generally under the auspices of the Co-operative Union which sets out in general terms obligations to be voluntarily undertaken by subscribing societies.
- (b) a short Code of Practice which spells out the standards of retailing behaviour which subscribing societies will observe vis-a-vis their customers.

The Committee argued that if these commitments were not to end up as empty formulae it was important for every society to seek "to achieve a clear policy on how to handle consumer complaints, which is fully understood and consistently practised by all employees dealing with customers". For this purpose the Report called on the Movement centrally to "recognise an obligation to prepare guide lines for management and employees on the practical effects of adopting the code".

Turning to the second area, the Report acknowledged the various responses to the needs of the consumer made by Government and manufacturers. By contrast, retailers did not appear to have taken steps which the Committee felt were within their powers. In particular, Co-operative management and staff could do much more, given encouragement from their boards. One significant development was the introduction by at least three societies of in-store advice/resource services with specifically trained staff to

assist customers. Detailed evaluation of these services was felt at that time to be premature but there was no doubt in the Committee's mind that "such an evaluation should be made by the Co-operative Union, and its results circulated to all societies as soon as practicable."

While the Committee did not see a general installation of in-store advisors as warranted it did urge societies to make more use of their large stores as consumer contact points for consumer information and advice literature for shoppers.

Also in the context of the store, the Report looked at the question of Co-operative brand labelling which it said "should seek to give the prospective purchaser more information about the constitution and performance of the product and more evidence of concern for the proper use of the product after purchase, than did the labels on similar, non-own-brand products." The Report welcomed any progress which the C.W.S. might be able to make along these lines in its current reconsideration of own brand labelling.

Under the third area the Report insisted that the Movement should determine its distinctive Co-operative approach to consumer issues and should proclaim it, though the only example of this distinctive approach cited by the Committee was the National Consumer Project. Other national agencies of the movement were also involved in a variety of ways with the consumer interest but there was need for "much closer co-ordination of their activities". This led to a call for a regular programme of meetings between officers of all the agencies so involved and, moreover, discussions of consumer activities with senior and middle management, with staff organisations, and in all sectional activities.

Finally, the Report argued that Co-operative education both could and should give more importance to consumer matters and saw three developments as desirable;

1. further support of the National Consumer Conference project.
2. further attention being given by the training executive to the consumer's view point and consumer skills in Co-operative Staff Training.
3. an exploration of how Co-operative Member Education and Member Relations can extend its present limited engagement with Co-operative trade.

Both reports then were valuable in indicating some possible routes in the development of Co-operative consumerism. With hindsight it is always possible to suggest that their members could have been more critical in their reviews and more radical in their recommendations. Nevertheless, the reports serve as useful evidence of the Movement's ongoing concern for the consumer. At least they would do, had the Movement given the necessary consideration to the reports and done all within its power to implement their recommendations. Yet, to date, few of the developments the reports initiated have achieved any significant degree of realisation.

Rhetoric rather than action

That conclusion is neither easy to confirm nor refute because of the lack of available data. This itself is significant. For instance, the perpetual need to improve our trading operations has given rise to a wide range of measures from regionalisation, through Co-operative hypermarkets and the closure of small outlets, to the Co-operative Union's efficiency audits. Ultimately, such efforts are in the interest of the consumer, and I am not arguing that consumer and profit orientations are necessarily contradictory. However, to suggest as some have that a consumer orientation

is reducible to efficiency, cost and price cutting, is to equate ourselves with our competitors, and we would all surely question any claim they made to champion the consumer.

The essential point is that the Movement places far less emphasis on an audit of its consumer relations than it does its commercial operations. As a result, both a self-congratulatory and a critical rhetoric have become features of the Movement's debates. When people prefer to perpetuate their beliefs in the absence of hard evidence one must conclude that we are dealing with powerful myths.

Surveying the Reality

Taking as the basic area the provision of in-store consumer protection, information and advice let me identify some of the factors which throw doubt on the authenticity of our role as the consumers' champion. The data I must emphasise again is scanty but what there is emerges largely from surveys conducted in 1975 and 1976 respectively by the C.W.S. Market Research Department (4) and the Co-operative Union's Member Education Department (5).

The first survey elicited much information on the different in-store consumer services. It indicated that only a handful of societies had the kind of consumer advisory units and consumer bureaux which can handle and answer consumer questions in a full and systematic manner. Most societies merely have means for distributing consumer information and handling consumer complaints. In general, the conclusion I draw from this survey is that, apart from a few forward-thinking societies, the Movement does no more than is necessary, and frequently less, to develop good consumer-Society relations.

This conclusion requires no great positive revision as a result of the findings of the second survey distributed

to Member Education and Member Relations Secretaries in all societies within the National Co-operative Education Association, in August 1976 but which obtained responses from a mere 49. Some of the general points made in the report of the survey are likewise instructive. Mention is made of the sparseness of some of the replies. Moreover, that a large number of replies stated that societies had adopted the consumer code (42 out of 49) did not suggest a vital concern with the consumer education so much as the desire to institute first class business practice. Similarly, "dealing with complaints" generally showed managerial competence with handling the problems rather than a special concern with consumer information. Societies could and did create a friendly impression in handling complaints, yet the impression gained by the survey was that, in general, societies' management respond to complaints as they arise. Only one or two societies saw the handling of procedures as part of a wider and overt consumer service in the store.

Despite all the efforts of the national Co-operative agencies to encourage the development of consumer advice desks in the society department stores, only 8 societies had responded positively, and of these a mere 4 had appointed full-time consumer advisors.

The survey concludes with a series of case studies illustrating the range of services being offered to consumers. Below I have made an attempt to review these case studies to cover other and more recent developments.

Case Studies

The Consumer Advisor Desk at Derby and Burton Society followed quickly on the pioneering work of the Leicestershire Society. Fortunately, once the decision had been made to establish a consumer advisory desk, a well situated site (just inside the main entrance to the store in Derby) became

available as did the right person to fill the role of consumer advisor. The C.A.D. has its own booth equipped where the appropriate department, personnel, or manufacturer can be contacted. Thus the follow up is an immediate one where possible. All queries addressed to the desk are usually entered in a master book along with details of the action taken. These entries form the basis for a monthly report which is distributed to the Chief Executive Officer, the Member Relations Committee, the Board and all trading managers. More recently management trainees from the store's various departments have been drafted into service on the desk, so that all areas of the store become familiar with the work of the consumer advisor. A display of consumer literature is also available from the advisory desk including membership forms and other material about the society itself. It is generally agreed within the society that the consumer advisory desk has earned them considerable goodwill. So much that a further desk was opened subsequently in the Burton store. In recent years the personnel at the consumer advisory desk and in the management of the society have changed, but the value of this consumer service has been maintained and is increasingly recognised by the society and the general public.

Other societies are equally keen to provide consumer services along the lines developed by Derby and Burton, but do not presently have access to the resources or see a particular value in integrating this service with Member Relations activities. A particularly good example of the latter is the Consumer Bureaux established in some London Society stores. So far four such bureaux have been opened as part of a pilot scheme. These are portable stands manned on Saturdays by members of the Society. The first line of support for these voluntary consumer advisors are the Society consumer groups based on the store where they meet regularly to discuss problems arising in the bureaux, to be advised of new consumer legislation and review new literature

to introduce new members to the work of the bureaux, to undergo appropriate training and retraining, and more generally to discuss consumer and society affairs. The work of the bureaux again forms the basis for reports circulated in the society. The task of co-ordination of the bureaux falls to a Consumer steering Committee made up of representatives from the Board, the Training Department, the Political and Education Committees and the District Committees of the society. The range of enquiries handled by these bureaux is equally as wide as those addressed to full time consumer advisors, even if the numbers are inevitably very much smaller.

A third case study is something of a composite which brings together the distribution of consumer and society literature, a complaints and enquiry service, and a range of consumer activities. Most societies do provide a stand or display board usually unmanned, at which customers can select consumer and society literature. Complaints and enquiries will invariably be directed initially to counter staff in the store and will filter up to the appropriate person (sometimes, but not in all cases, someone specifically designated to handle consumer enquiries) through a specified (again, not in all cases) route or a consumer phone link. Other consumer services may involve regular in-store consumer events but very often this is reduced to a one-off "new members evening", or an occasional consumer testing session. In addition the society may establish consumer groups which meet on a more regular basis to discuss the packs for the N.C.C. project or consumer affairs. This third case study will encompass the work of most societies in the consumer relations field. Made up of relatively disparate and residual endeavours, this rarely confronts either the shopper or the member with a systematic programme of service to the consumer.

Whither the Code?

The introduction of the Consumer Code was, of course, intended to improve and standardise this rather untidy patchwork. At its emergence it was criticised by many as being too negative, falling short of what competitors were offering to consumers, and not providing the kind of lead expected by and of the consumer movement. Despite that, we should give some credence to the movers of the Code who argued that it was merely a first step in the right direction and would be constantly reviewed and improved. It was this hope, perhaps, which encouraged some 208 societies to adopt the Code.

But judged by its objective of improving consumer services the Code has been no great success. Of the societies which registered acceptance quite a few refrained from publicising the fact, and judging from the lack of prominent display in department stores at present the vast majority do not now make the existence of the Code known to customers. As for the continual review and improvement of the Code this has just not happened. I know of one society with plans to revamp and republicise the Code, and just recently the C.W.S. has announced a much improved satisfaction or money back guarantee for its own brands (6). While such independent initiative is to be welcomed it is a pity that this was not linked to attempts to improve the Code itself. Perhaps this is an indication that many see the Code as dead or beyond revival. But with it has gone the only nationwide attempt to produce a distinctive approach to Co-operative consumerism.

Let me assume for the moment that a death certificate is premature and that throughout the Movement there really is a genuine desire to provide the kind of consumer orientation which we often claim. What then can be done in the immediate future?

Possibilities of Revival

Firstly, it is not enough merely to patch up the Code. It needs to be improved and reviewed on a regular basis. More than that, however, we need to look to an adequate supportive apparatus. In the same way as we constantly review the trading performance of Societies, we need to review their performance in consumer service. This requires an annual survey to find out just what Societies are providing. The evaluation of consumer advisory services whether by Societies themselves or by one of the national Co-operative agencies should be encouraged. Some national organisation should also take responsibility for the collation and generalisation of the information thereby obtained so that all societies can benefit from the innovations or mistakes of others. Following such an exercise it should be possible to generate a number of proposals which could help realise the tenets of Co-operative consumerism.

As a Movement then, we have to take stock of our relationship to the consumer. Too long we have been told that the Co-operative Movement has slipped backwards in the eyes of consumers; in response we have shrouded ourselves in complacent rhetoric. No doubt, many in the Movement will take exception to the critical tone of this review. I hope also they will provide evidence to refute the picture of our relationship to the consumer drawn in this essay. That is not an empty hope because I still want to believe that Co-operative Movement of the future will be able to claim a reputation as a champion of the consumer with no less validity than our pioneers of Rochdale and elsewhere who did so much to realise this objective. If we fail to live up to their legacy we had better have some good excuses to offer to ourselves and the consumer.

References

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6. See "Co-op Spells it Out", page 40 Co-operative News November 8th 1978