

# NEW ENGLAND

THE BOSTON SUNDAY GLOBE • MAY 7, 2000

## Consumer Beat

Bruce Mohl

# Sprinting to keep up with the Joneses

**M**UCH OF WHAT I hear on a daily basis are complaints from consumers about how companies treat them, but there is rarely much introspection about what makes consumers tick.

Academics, however, are full of theories about Americans and their preoccupation with consumption. With 5 percent of the world's population, the United States consumes 30 percent of the world's resources. The average new home in the United States has doubled in size since 1970, and shopping has become a national obsession. Yet no matter how much we buy, we always seem to want more.

In two new books, Harvard University lecturer Juliet B. Schor and Wharton School fellow Jeremy Rifkin examine this buy-buy-

people who don't have enough, and far too little focus on the spending side of the equation. "Somebody needs to be for quality of life, not just quantity of stuff," she writes.

Americans are caught in a competitive consumption trap, Schor says. They are trying to keep up with the spending habits of the people they meet at work, see on TV, or read about in the Robb Report. This "upscale emulation," she says, sends credit card balances soaring, harms the environment, cuts the rate of savings, and saps money from deserving public projects like education, parks, and the arts.

Schor doesn't buy the conventional view that it's un-American to interfere with consumer spending habits. She favors government policies that would penalize bad consumption (green taxes, luxury taxes, and tighter regulation of credit) and promote quality of life (ad-free zones, retail diversity, more family time).

Other essayists in the book beg to differ.

Craig J. Thompson, associate professor of marketing at the University of Wisconsin, says Schor's analysis resonates with a puritanical moralism, understates the cultural underpinnings of consumption, and misses the point that, for many, "stuff" is no longer the Holy Grail of consumerism.

"Consumers are already pursuing an improved quality of life rather than greater quantity of stuff, and consumer culture is right there selling 'it' to them with great skill and alacrity," he says.

James B. Twitchell, professor of English at the University of Florida and author of "Lead Us Into Temptation: The Triumph of

American Materialism," says consumerism may not be pretty but it beats the alternatives. "Face it: You are what you consume, not what you make. You are the logo on your T-shirt," he writes.

Rifkin, president of the Foundation on Economic Trends in Washington and the author of "The End of Work" and "The Biotech Century," has a new book that touches on some of these issues.

In "The Age of Access: The New Culture of Hypercapitalism Where All of Life Is a Paid-For Experience," Rifkin argues that

the economy and consumers are going through a fundamental change. The market-based economy, in which the goal is to buy and sell goods and acquire property, is giving way to a network-based economy in which change is so rapid that consumers increasingly pay to use things rather than to own them.

Automobiles, for example, are being transformed from a good to a service as more and more of them are leased. Consumers are buying time-shares rather than second homes.

There are some holes in this reasoning. Auto leases and time-shares, for example, are also ways for consumers to upscale, to use Schor's term, on a limited bank account. Why buy a Chevy Cavalier when you can lease a BMW?

What resonated with me, however, was Rifkin's discussion of how our lives are being commercialized. It's not just designer labels and omnipresent advertising. Companies, he says, increasingly talk about going after customer share rather than market share. They practically give away products in order to lock

consumers into long-term service contracts that allow companies to work their way into all aspects of their customers' lives.

The Disney Co. is a prime example, according to Rifkin. Its far-flung business interests seek to envelop consumers in a corporate cocoon of information and entertainment: everything from movies, theme parks, retail stores, and television networks to cruise ships and planned residential communities. "You can live your whole life now with Disney," Rifkin said.

Rifkin frets that the drumbeat of commercialization is sapping our culture and changing us.

People "think of themselves as players rather than workers and prefer others to think of them as creative rather than industrious," he writes. "They think of Disney World and Club Med as the real thing, regard the mall as a public square, and equate consumer sovereignty with democracy."

## Car-buying information

Seventeen years ago, Consumer Reports came up with the dealer invoice price: what an auto dealer pays the manufacturer for a car. It provided a much better starting point for price negotiations than the manufacturer's suggested retail price.

But today, the invoice price is often misleading. Dealers may receive additional money back from the manufacturer in the form of dealer incentives and holdbacks. As a result, auto dealers can offer a car for invoice price plus \$100 and still make a healthy profit.

To give consumers a better understanding of a car's actual cost to the dealer, Consumer Reports is providing what it calls wholesale price information on cars, in effect invoice price minus these behind-the-scenes subsidies.



**JULIET B. SCHOR**  
**Hits shop-till-you-drop culture**

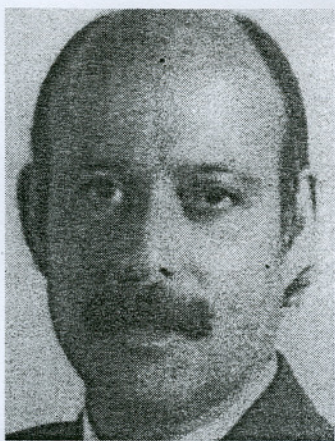
Sometimes the difference is substantial. On a 2000 Ford Escort ZX2, the difference between invoice and wholesale price is \$1,859. Consumer Reports says the information is gleaned from the magazine's sources and is available at [www.consumerreports.org](http://www.consumerreports.org) or by calling 800-395-4400. The cost is \$12 for the first request, \$10 for the second.

Paige Amidon, director of auto price services for Consumer Reports, cautions that the wholesale price doesn't cover a dealer's costs for such things as overhead and advertising. "We're not saying you should be able to buy the car at wholesale, but it gives you a starting point," she said.

The National Automobile Dealers Association, which plans to start listing invoice prices for free on its Web site this summer, said Consumer Reports' wholesale price isn't worth the money. "It's not a meaningful figure for consumers," a spokesman says.

## Odds & Ends

■ **Citizens CDs** – Sejfi Protopapa of Weston urges consumers to read the fine print when buying



**JEREMY RIFKIN**  
**Sees major change in consumerism**

certificates of deposit from Citizens Bank.

He and his wife recently received a letter from the bank explaining that their two CDs were about to expire; they had a 10-day grace period to either renew or cancel. The couple decided to cancel on the seventh day of the grace period. When they got their money, they noticed they weren't credited any interest for the seven-day grace period, which they thought was not only unfair but sleazy.

The fine print of their CD agreement does state that interest would not be paid for the grace period if the funds are withdrawn. Protopapa researched what other banks do and found that all of them offer some level of interest while they hold your money during the grace period. "What Citizens does is an arbitrary taking of capital for a period of time," he said.

■ **More restaurant scores.** I can't seem to get enough of the City of Boston Web site ([www.mayorsfoodcourt.com](http://www.mayorsfoodcourt.com)) that serves up restaurant health-inspection scores. On my latest check, these scores caught my eye:

The 21st Amendment on Bowdoin Street, where Beacon Hill lawmakers have a drink in between votes, scored 69 (out of a possible 100) on its surprise inspection.

Also, Bay Tower Room at 60 State St., 76; Grill 23 at 151 Berkeley St., 76; and Souper Salad at 75 Federal St., 68.

---

*Bruce Mohl is a member of the Globe staff. He can be reached at 617-474-2510, by e-mail at [mohl@globe.com](mailto:mohl@globe.com), or at The Boston Globe, P.O. Box 2378, Boston, MA 02107-2378.*