

Book Review

Consumer Economics: Issues and Behavior

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The author of *Consumer Economics: Issues and Behavior*, Elizabeth Goldsmith, is a Professor at Florida State University. In the preface, Dr. Goldsmith writes that much has happened since the first edition of *Consumer Economics: Issues and Behavior* was published in 2004. One of the most important changes is the increased use of the Internet. Another change is more information about personal finance and how it relates to consumer issues.

The book consists of 5 parts and 15 chapters. Each chapter begins with learning objectives and a vignette from a print or online source about a consumer issue that is relevant to the chapter. The chapters conclude with a summary, key points, key terms, discussion questions, E-resources, and references.

Part 1: Consumer Perspectives

Chapter 1 is titled “Consumers in a Changing World.” In this chapter, readers are motivated to think of consumption as a process that they can control through making choices that are beneficial to themselves and society. Helpful tools in the chapter include a figure showing Maslow’s hierarchy of needs and a figure showing a demand curve.

Chapter 2, “The Consumer Movement,” traces the evolution of the consumer movement from the late 1880s to the present. There are three boxes that highlight key consumer legislation in the periods of 1880 to 1929, 1930 to 1979, and 1980 to the present. This chapter exposes readers to important people in the consumer movement such as Harvey Wiley (a chemist who was a founder of the consumer movement), Rachel Carson, Upton Sinclair, and Ralph Nader.

Chapter 3 is titled “Consumer Theories and Development of a Model.” Theories included in this chapter are the theory of reasoned action, prospect theory, theory of mental accounting, and innovation theory. A second section of the chapter explains the framework for developing a model. The chapter concludes with a description of the consumer power model which suggests a circular interaction among consumers, business, public policy, media, and consumer organizations.

Part 2: Consumer Protection

Chapter 4, “Consumer Responsibilities, Redress, and the Law,” begins by discussing consumers’ responsibilities. The primary focus of the chapter is on pre-buying (how to prepare for a purchase) and post-buying (how to complain effectively). Also, there is a section on government consumer protection agencies and consumer law. Several legal terms are introduced such as breach of contract, fiduciary, and garnishment.

Chapter 5 is titled “Government Protection, Nongovernmental Pro-Consumer Groups, and the Media.” In-depth explanations are provided for institutions such as the Federal Trade Commission, Consumer Product Safety Commission, Food and Drug Administration, Securities and Exchange Commission, and others. The consumer power model (introduced in Chapter 2) is explained in more detail. Interesting discussion questions are “How do the police get involved in consumer protection?” and “What sort of cases might they investigate?”

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Part 3: Consumers in the Marketplace

Chapter 6 is about the buying process, brands, and product development. This chapter exposes readers to the stages of the household life cycle, population trends and market segmentation, how companies are motivated to compete for consumers' dollars, and how companies handle consumer complaints. Also, there is a section on searching for information that includes explanations of experience goods and credence goods.

Chapter 7 is titled "Decision Making and the Influence of Advertising." Several factors that influence advertising are introduced including: technological obsolescence, uniqueness theory, impulse buying, and budget constraints. Uniqueness theory means that individuals vary in the extent to which they wish to be different. In the discussion questions, readers are encouraged to think about whether there should be more or less government regulation of advertising.

Chapter 8 focuses on food and beverage issues. Among the many topics discussed are the slow food movement, organically grown foods, and food additives. There is a section on calories, weight, and diets accompanied by an explanation of how the weight-loss industry preys on consumers with questionable claims.

Chapter 9 is titled "Health and Wellness Issues." This chapter touches on a wide range of topics such as the safety concerns of imported drugs, Botox, malpractice insurance, and Medicare fraud. A thought provoking discussion question is "Why are people hesitant to use generic drugs?"

Chapter 10 is about ownership, safety, and repairs. This chapter begins with a discussion of the value of warranties and guarantees and progresses to safety issues, and repair frauds such as home improvement and car repairs. It concludes with a section of saving money while traveling, avoiding fraud, and staying safe. Throughout the chapter, readers are reminded of the importance of gathering information.

Chapter 11 is titled "The Internet and Issues of Identity Theft and Fraud." The author notes that online shopping is the fastest-growing category of consumer buying. Boxes in this chapter provide a resource for methods used by identity thieves, how identity theft information is used, a sample dispute letter for a credit bureau, and a checklist for identifying a worthy charitable organization.

Chapter 12 is about being a better consumer of housing and vehicles. Housing and transportation are the two largest expenses in a typical family budget. Readers are encouraged to compare renting versus owning a home and leasing versus owning a car. The process and terminology of buying both a home and a car are explained.

Part 4: Consumers in the Financial Marketplace

Chapter 13 is titled "Saving, Banking, Debt, and Credit Issues." The most important parts of this chapter are setting financial goals, preparing and using financial statements (a budget, cash flow statement, and a net worth statement), and using credit. Choosing a financial planner is also included, but it is possible that many readers will not engage a planner in the near future.

Chapter 14 is about insurance and investment issues. All of the major types of insurance coverage are briefly explained and some advice about purchasing each type of insurance is provided. Investing and the major types of investment options are briefly explained. Boxes that will be especially helpful are Seven Tips from the Federal Trade Commission (about detecting investment scams) and Investment-Related Frauds to Avoid.

Part 5: Emerging Consumer Issues and the Global Perspective

Chapter 15 is about emerging consumer issues and the global perspective. The issues in this chapter are forward-thinking. The author concludes by pointing out that a "global perspective requires a mind shift to the greater good, to an awareness of a greater role." One of the discussion questions asks "For your holiday gift, how would you feel about someone donating a goat to a family in an African village?"

Appendix: Consumer Careers and Graduate School

This section explains the possible career fields that could be available to a person earning a graduate degree in consumer affairs. Examples are working at: consumer service departments; housing, aging, and energy departments; and media or nonprofit organizations.

Recommendations

This is an excellent textbook for students in family and consumer sciences, social sciences, or business. Students will benefit from reading and discussing the concepts that are presented. Faculty will enjoy using the text. Financial counselors and advisors will find it a valuable resource for

individual and group advising. Extension educators will find answers to questions posed by consumers and can use it as a resource for developing programs. Professors will be pleased to find that many chapters include explanations about the theory that guides a concept. Examples include: conspicuous consumption, information search, and the theory of reasoned action.

The textbook is well organized; however, I suggest that Chapter 13 on saving, banking, debt, and credit should be discussed before the chapters on the marketplace (Chapters 6 through 12). Focusing on goals and planning consumption that is based on income seems more reasonable than thinking about consumption before saving and using credit.