THE WALL STREET JOURNAL

Copyright 1960 by Dow Jones & Company, Inc.

VOL. XXVI, NO. 91 ★ TUESDAY, NOVEMBER 8, 1960

W H WARING
P O BOX 255
ST JOHNS VANVILLE
HOUSTON 1 TEXAS

Critical Consumers

Complaints About Ads, Sales Tactics Pour in On Watchdog Agencies

Better Business Bureaus Add Help, Enter More Cities; Chief Weapon: Publicity

Bait Ads & Suede Shoe Boys

By JOSEPH D. MATHEWSON
Staff Reporter of THE WALL STREET JOURNAL

Consumer distrust of product quality and of many business practices is reaching new highs. And, instead of suffering in silence, individuals who feel they've been bilked now show a greater tendency to make public complaints or take other forms of aggressive action.

This, at least, is the opinion of the nation's Better Business Bureaus, which are having to expand their staffs and widen the scope of their activities because of a rising tide of consumer gripes. These watchdog agencies, supported by business itself, last year handled a record 2.6 million complaints and this mark seems sure to be passed this year.

Pittsburgh's Better Business Bureau, for example, processed nearly 24,000 complaints in the first six months of this year, compared with 17,000 in the 1959 first half. And in New York, the local bureau, the nation's largest, says it is going to have to add to its 50-man staff because of the sharp increase in its work load.

Product of TV Troubles?

What's News—

* * *

Business and Finance

THE SUPREME COURT refused to remove the "confidential" stamp from comprehensive business reports prepared by corporations for [illegible] sus Bureau. The action [illegible] tempt by Federal [illegible] tain access [illegible] expedite [illegible] top tri[illegible] ing t[illegible] barri[illegible] sion [illegible] port

[illegible] stra[illegible] slat[illegible] cap[illegible] Ins[illegible] dov[illegible] act[illegible] off[illegible] Fu[illegible] sc[illegible] pr[illegible] Pi[illegible] er[illegible] b[illegible] la[illegible]

m[illegible] A[illegible] m[illegible] ov[illegible]

* * *

World-Wi[illegible]

AMERIC[illegible] out is

National Voting Trends



PLAINTIFF'S EXHIBIT JMHC-22

examiner, processed nearly 24,000 complaints in the first six months of this year, compared with 17,000 in the 1959 first half. And in New York, the local bureau, the nation's largest, says it is going to have to add to its 50-man staff because of the sharp increase in its work load.

Product of TV Troubles?

What's responsible for this new strike-back tendency on the part of consumers? Some advertising men trace it back to the TV quiz frauds and the payola scandals. "Some of the public indignation spilled over to the commercials," says Richard Scheidker, senior vice president of the American Association of Advertising Agencies.

The quality of many products has been steadily improved over the years, but many consumers complain that advertising claims for some products have outpaced the improvements. There's evidence that misleading ad claims and other abuses may be rising as the competition for the consumer's dollar grows more intense. "Some advertisers are resorting to practices they ordinarily wouldn't touch; their tactics aren't as clean as they were a year ago," says a spokesman for the New York-headquartered Association of Better Business Bureaus, which coordinates the activities of bureaus throughout the U.S.

However, the records of the Better Business Bureaus also indicate growing awareness on the part of business firms of the need to police their own activities. The bureaus' efforts 10 years ago were financed by 35,000 business concerns which contributed $1,250,000 to run the agencies; this year 100,000 firms will pay $5 million.

What's more, the bureaus are spreading into new territory and into smaller cities. There are now 106 bureaus in the U.S. and within the next few months new units will open in such places as Boise, Idaho; Sioux City, Iowa; Evansville, Ind.; Jackson, Miss.; Springfield, Ill., and Canton, Ohio. There is also a National Better Business Bureau to keep a critical eye on big firms operating on an interstate basis.

Sam Dobbs Vs. Deception

The Better Business Bureau idea goes back to 1907, when Samuel Dobbs, then sales manager of the Coca-Cola Co., heard his own firm's attorney say in a courtroom: "All advertising is exaggerated and nobody really believes it." Mr. Dobbs was shocked by this statement, but after conducting a poll of his own among business friends, he discovered that most of them also believed it. He then began a personal crusade, traveling throughout the country, naming dishonest advertisers and organizing local advertising men into groups to police their own activities. These Vigilance Committees, as they came to be called, eventually were reorganized into the present type of full-time organizations with paid staffs; the first such Better Business Bureau was set up in Minneapolis in 1914, followed swiftly by others in St. Louis, Milwaukee, Indianapolis and Cleveland.

The principal weapon of the bureaus is publicity. Each local bureau publishes its own bulletin, which goes to newspapers and advertising media, spotlighting abuses and usually naming names. The National Bureau similarly sends information to nearly 1,000 smaller city chambers of commerce, unable to support their own agencies. This publicity spotlight generally is turned on only after personal consultation with the wrongdoer is unsuccessful. The bureaus have no legal standing, but if a violator persists, the BBB may turn over his case to law enforcement authorities.

An English Bobby

A Boston department store executive likens the bureaus' position to that of "an English bobby, who's not allowed to carry a pistol." And Howard Newton, sales manager for Chicago's Peter Epsteen Pontiac Agency, says, "I'd like to see the bureaus given the power to directly prosecute an erring car dealer in court"—a suggestion which the Chicago bureau strongly rejects.

Most BBB's, in fact, are satisfied with their present powers. Says Carl Dalke, vice president of Chicago's BBB, "One auto dealer hasn't been able to place an ad in any Chicago newspaper for 10 months because of our disclosures. The other day he came in to say he's finally willing to sign agreements on ethical selling practices."

The most common abuses in most bureau cities at the moment are bait advertising and deceptive pricing. Bait ads feature an extremely low-priced item—an obvious bargain. When the customer takes the bait, the salesman then will talk it down, or perhaps not sell it at all; instead, he'll push a higher-priced model.

A Bronx housewife recently complained to the New York BBB about a company advertising aluminum storm windows at $5.88 each. When she inquired about the windows, a salesman told her that it would be necessary to

Please Turn to Page 6, Column 1

COPY FORM	INITIALS	DATE
	CSP	10-19-99

BOX NUMBER	SEGMENT NO.	REQUESTING PARTY
04-1913		B+B

NOTES