Exploring our discount culture

by: GLENN C. ALTSCHULER
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 Buyers beware! According to Ellen Ruppell Shell, a professor of journalism at Boston University, "everyday low prices" have hidden costs. "Cheap goods," she maintains, come from "cheap help," here and abroad. They deplete resources and pollute environments.

It's a familiar refrain (think H. Ross Perot and Ralph Nader), but Ruppell Shell does far more than round up the usual suspects such as Wal-Mart and Chinese toy manufacturers. She provides a richly detailed history of "the birth of the bargain," a sophisticated analysis of the emotional allure of "markdowns," and a critique of IKEA and Wegmans.

Although there may well be more of an upside to "cheap" than Ruppell Shell is willing to admit, her book makes a compelling case that, more often than not, you get what you pay for.

Drawing on the latest studies in psychology and behavioral economics, Ruppell Shell reveals how the prospect of a good deal "sets our nucleus accumbens acquiver." And how retailers re-frame losses as gains. Consumers don't know the prices of most things they buy. They're likely to jump on a mattress at a "reduced price" and head home to boast about how much they "saved."

Moreover, most consumers believe they've paid the rebated price — not the sticker price — even though only 5 to 10 percent of them will do what's required to get it.

Because consumers overvalue bargains, Ruppell Shell points out, they tend to ignore "opportunity costs," especially the expenditure of time, often driving long distances to (and waiting in line many hours for) a "midnight sale."

"The Age of Cheap," Ruppell Shell reminds us, has raised cognitive dissonance "to a societal norm."

As we rail against the loss of manufacturing jobs in the Midwest, the exploitation of T-shirt makers in China, the mistreatment of animals by agri-businesses and lecture our neighbors about social responsibility, we drive an hour to save $3 on gym shorts, "freak out at an uptick in food prices" and buy toys assembled by children.

The "hidden costs" of global capitalism are real. To Ruppell Shell, they also include "uniformity in the guise of novelty," "design without craftsmanship" and the forced accommodation of consumers to commodities. Americans, she maintains, expect their clothing to shred and their cell phones to break down. Because the "clear lacquered ash veneer" coffee table cost only $89.99 at IKEA, they don't despair when it's muddied from coffee spills.

Unfortunately, the gains from the competitive marketplace don't get their innings in "Cheap." The retail revolution has helped keep inflation in check, a boon to the poor, since food and clothing constitute a sizable percentage of their disposable incomes. And, although the world is far from flat, economies enabled by the unlimited "shelf space" of the Internet have brought goods and services to millions, at little or no cost. Think Wikipedia, MapQuest, Craigslist, eBay, Amazon, and, yes, even Napster.

In "a truly global village," Ruppell Shell concludes, "we can love a bargain without compromising our standards and values." We can "know that what matters has never been and will never be cheap." Let's hope so.

But at the moment, a bloodless consumer revolution, "requiring neither bullets nor bullhorns," doesn't seem imminent. Cheap
The High Cost of Discount Culture
Ellen Ruppell Shell
The Penguin Press, $25.95

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