EDUCATIONAL PROBLEMS OF AN EXPANDING CONSUMER CO-OPERATIVE

by L. F. Kristjanson*

The stated purpose of this meeting is "to improve the skills of educational leaders in cooperatives." I hope that in spite of the fact that what I am going to discuss is based on a case study you will be able to generalize from it and extract certain principles which will contribute to an extension of your skills and knowledge.

This paper is based on a study of expansion problems of an urban cooperative. It was primarily a market study whose objective was to gather data to facilitate making the decision as to whether to expand operations at a centralized location or to establish branch supermarkets throughout the city. There was never any question that a consideration of educational program should be an integral part of planning expansion. However, the practical problem of making the questionnaire and the study of manageable size, required that limited information with respect to education program be sought. For this reason there are many hypotheses about the state of cooperative education in the areas which remain untested.[1] Nevertheless, there are a number of findings which, I believe, are of interest and significance to people engaged in cooperative education.

Another type of "inadequacy" of the data results from the fact that this is a case study. To generalize from this study of a single urban consumer cooperative is dangerous. The possibilities of error increase when attempts are made to generalize to other parts of the cooperative movement. It may well be that surveys of other cooperatives would reveal that education programs are considerably more successful elsewhere. The studies I have seen do not, however, indicate much difference.

It is always tempting to say that the people in the area with which you are concerned would show up better in a test of knowledge. The fact that the results were a <u>considerable</u> surprise to a number of those in responsible positions in this particular cooperative should caution against undue optimism about how your own area would compare.

A. THE SETTING

I would like now to turn to a very brief description of the setting of this cooperative for those of you who are unfamiliar with it.

The development of cooperatives in Saskatchewan began with the establishment of marketing cooperatives to handle the agricultural products - particularly grain - of the settlers. The marketing cooperatives had become rather

1. Some of these hypotheses and many others will be tested in a two-and-one-half year study, of the educational efforts of the cooperative movement in Saskatchewan, now being carried out by the Center for Community Studies at the University of Saskatchewan.

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large business organizations before there was any significant development of consumer cooperatives. Farm organizations and farmer political protest groups were, at various times, closely allied to the developing marketing cooperatives. Their successes have been considerable. In Saskatchewan in 1959-60 cooperatives marketed 72 percent of the dairy products; 60 percent of the grain and seed; and 50 percent of the cattle and calves.[2]

Saskatchewan, like other areas experiencing economic development, has had a rapid shift of population off the farm. In 1931 the Census classified as "rural farm" 62 percent of the population. By 1956, with little change in total provincial population, only 42 percent was in this category. This shift of population means that many people in urban areas have had experience with marketing cooperatives. Yet consumer cooperatives in 1959-60 transacted only 8.1 percent of the retail sales of the Province.

The cooperative studied is one of the largest and most "successful" consumer cooperatives in the province. While it was established in 1936 most of its growth has taken place in the last decade. The annual sales are now over five million dollars. Member sales account for over 90 percent of total sales. A complete range of goods except clothing and dry-goods is available to members. The membership is now in excess of 17,000.

To this very brief description of the cooperative in its setting, I would like to add a few comments about the cooperative educational activities which are carried on by the various cooperative agencies in the area. The chart below lists the agencies which function in this area; the techniques used by the various agencies; and the groups reached by these activities. The remainder of the paper gives some indication of the effects of these activities to the end of 1960.

The Structure of Cooperative Education in the Area of the Cooperative Studied

Agency	Kind of Exposure	Groups Reached	Effects of Exposure
Western Co-op College	Television and Radio	Members	?
Coop Center and Staff	Newspaper (Daily)		
Sask. Wheat Pool	Personal Contact		?
(Fieldman)	Group Meetings and	Non-Members	
Co-op Union of Sask.	Demonstrations		?
(P.R.O.)	Co-op Consumer		
Credit Union League	Western Producer	Employees	?
(Fieldman)	(Weekly Newspaper)		
	Pamphlets		?
United Grain Growers	Films		
(Fieldman)	Displays (Fairs)	Directors	?
Provincial Government	Staff Seminars		
Department of Cooperation			

2. Saskatchewan Department of Co-operation and Co-operative Development, Sixteenth Annual Report, (Regina: Queen's Printer, 1956), P. 112.

B. KNOWLEDGE OF MEMBERS

These very brief comments below about the state of member knowledge will be divided into three sections: (i) The Milieu (ii) Cooperatives in General (iii) The Local Cooperative.

(i) The Milieu

When the Rochdale pioneers decided to set aside 2½ percent of income for education and to promote universal education outside as well as inside the movement, they did so because they were convinced that this was the essential requirement for democracy, freedom, and equality. Education to them was to learn to read and write. I presume we have since discovered that knowing how to read and write does not necessarily lead to democracy, freedom, and equality. We must also understand the economic and social forces of our society. If the object of the educational efforts of the cooperative movement is to promote the values listed above, then they must make the members of the movement aware of the economic and social power structure. This is admittedly a very difficult and never-ending task but it must be accomplished if the cooperative is going to fulfill its traditional role in society and if the rest of the cooperative educational efforts are going to be effective.

Many cooperative educators appear to be reluctant to describe in realistic terms the non-cooperative sectors of the economy. As long as this is the case it will be difficult, if not impossible, to teach the principles and philosophy of cooperation. This is like trying to teach history by requiring the student to memorize a list of dates and events. He may be able to return these dates and events on examinations but he will not have any feeling for, or appreciation and understanding of history when the course has been completed. Similarly, you can teach a co-op member that one member has one vote; refunds are made on the basis of patronage, etc, but this will remain virtually meaningless to members unless they know how this differs from the non-cooperative organizations and why these differences in structure and organization were introduced. This will not make cooperatives sought after as members by the Chambers of Commerce. On the contrary, it will probably result in a renewed and more vigorous attack on cooperatives. But if the educational job is well done these attacks can be withstood. The alternative is to "not rock the boat" remain "respectable" and let the boat slowly rot around you and sink.

The degree of understanding of the milieu is difficult to measure. The comments which follow are just some indications of the understanding of milieu by members revealed in this study. Because the study was primarily a market study, quantitative data is small.

(a) A generally favorable attitude toward chain groceries exists among both members and non-members in the area. However, the more a member patronizes the cooperative the more likely he is to indicate unfavorable attitudes to chain food stores. Support for chain food stores was based largely on the belief that they provide a high degree of efficiency because of their scale of operations and that they are providing a desirable service in having outlets at "convenient" locations. The competition for locations by the chains

was not recognized as a cost-increasing type of competition. Nor was there indication of any realization that food retailing is becoming increasingly oligopolistic in character.[3]

Only a very few respondents indicated any recognition that there is a conflict of interest between the chain food stores and the consumer which is not present in the case of the consumer and his cooperative.

(b) In the analysis of servic e-station competition it became evident that people identify the chain outlets with both the large corporation and the individual proprietor. There was a general impression that they had some security in dealing with the large corporation but at the same time they felt that they were "helping the little fellow out." Again there was no recognition that service-station facilities are over-built in a rush for locations and that this increases the costs to the consumer.

(c) There was no indication of an understanding of the struggle for survival that the cooperative would likely face in the event of a prolonged recession. Members do not seem conscious of the fact that the expansion of this cooperative has occurred in a period of prosperity when all retail firms could expand at the same time. A sense of false security has therefore been created in the last few years.

(d) Another fact that members should be aware of, but are apparently not, is that when a few firms dominate the market they often find it desirable to have "fringe" firms in existence. Many cooperatives occupy just such a "fringe" position. However, if they begin to increase their share of the market (not just absolute sales) non-cooperative firms are likely to become more active in their opposition.

(e) The older members of the cooperative are more aware of the differences between chain stores and cooperatives than are the younger ones. There was no indication of significant differences in member awareness between income groups or amongst education levels.

These are just a few of the indications of an inadequate grasp of social and economic power structure that is held by the members. There are many others. It is clear that further enlightenment is required whether or not the appropriate agency is the cooperative.

(ii) Knowledge of Cooperatives in General

It is difficult to imagine effective and real participation by members unless they are aware of their rights and the basic operating policies of their organization. In an attempt to determine the members' knowledge in these respects three simple questions were asked. The object of the first question was to find out whether or not members realized that only members were entitled to dividends on their purchases. Almost nine-tenths of both rural and city members were aware of this fact. This is illustrated by Figure 2 below.

3. The Report of the Royal Commission on Price Spreads of Food Products estimated that the share of the Canadian retail food market controlled by corporate chains rose from 32 percent in 1951 to 44 percent in 1958. In the same period it was estimated that the share of market controlled by "voluntary" chains rose from 5 percent to 20 percent. (Vol. II, p. 36)

The object of the second question was to determine to what extent members were aware of the difference between cooperatives and private enterprise with respect to the relationship between the number of shares owned and voting rights. Only 54 percent of city respondents and 84 percent of rural respondents knew that members of cooperatives have just one vote each, regardless of how many shares may be owned. (See Figure 1.)

The third question was intended to determine whether the members were aware of the autonomy of their organization. Federated Co-opperatives Ltd. is the wholesale supplier of the cooperatives in the prairie provinces. The Saskatoon cooperative is one of its member owners. Yet, only one-third of both rural and city members were aware that Federated Co-operatives, Ltd. does not determine policy in the Saskatoon cooperative. (See Figure 3.)

In general, knowledge of cooperative policies is directly related to degree of use. That is, the high-users consistently do better than non and low-users on the questions discussed in the preceding paragraphs.

One of the instruments intended to keep cooperative members informed is the bi-monthly newspaper "The Cooperative Consumer." This publication is not intended to speak for any particular cooperative. It is a prairie-wide paper serving a diversity of cooperatives and communities. In an attempt to assess its effectiveness as an information and education medium respondents were asked how often they read it and how thoroughly.

About half of the city members and two-thirds of the rural members said they read the Cooperative Consumer "nearly every issue." The higher the use-category, the larger was the proportion of respondents who perused the paper fairly regularly.

Asked how thoroughly they read the Cooperative Consumer, one-fifth of both city and rural members say they read it "very thoroughly;" two-fifths of the city and two-thirds of the rural members read only "things that interest" them; and a fifth of the city and a tenth of the rural members "just glance at it." High-users are more likely to read the paper thoroughly.

Since the cooperative prides itself in being a democratic organization, one obvious measure of participation is the record of member attendance at information or annual meetings of their organization. Only one-fifth of the city member-respondents said they had ever attended a member ship or annual meeting. Attendance is directly related to degree of use. Only 8.9 percent of non-users have attended meetings. The comparable figure for the low-users category was 17.1 percent; for the medium user category 24.5 percent; and for the high-user category 30.8 percent. 13.7 percent of rural respondents have attended these meetings. (See Figure 4.)

Another method by which members can participate is to make suggestions to management for changes or improvements in the policies of the cooperative. Only one-tenth of city members and one-sixth of the rural members say they have done so. Among city members this activity is also directly related to degree of use. (See Figure 5.)

Have the member-respondents ever encouraged their friends, neighbors or relatives to join the Saskatoon Cooperative? Nearly one-half of the city members and three-fifths of the rural members say they have. As would be expected, the high users do much more of this than the low users do. (See Figure 6)

Attitudes, too, are often a reflection of knowledge and understanding. When city respondents were asked whether they were "for co-operatives" or "against cooperatives" there was a sizeable group who stated that they were neither "for" nor "against."

The Table below, a summary of the replies, shows a very strong vote in favor of cooperatives. Two-thirds of the 1,225 heads of 679 households said they are in favor of cooperatives. However, this was a very biased sample of the population in that over 70 percent of the people interviewed were co-op members. Some interesting results emerge when sub-groups of the sample are compared.

ATTITUDES OF HEADS (MALE PLUS FEMALE) TOWARD COOPERATIVES BY USER CATEGORY

Percent

	Non-User	Low-User	Medium User	High-User	All Members	Non-Member	All Respondents
For Co-ops	58.1	75.3	87.8	93.7	78.3	33.7	65.6
Neither	33.0	20.8	11.7	5.9	18.2	53.1	28.2
Against Co-ops	8.9	3.9	0.5	0.5	3.5	13.1	6.3

Comparing members and non-members of the cooperative reveals a sharp but not unexpected contrast. Nearly four-fifths of the members expressed a favorable view of cooperatives in general. 3.5 percent expressed an unfavorable view. Among non-members, the corresponding division was one-third in favor and one-eighth against. Sitting on the fence were nearly one-fifth of the members and over one-half of the non-members. This large percentage of non-members who are favorable or neutral towards cooperatives represents a rather substantial potential market.

When the user sub-groups of the membership are compared, a clear and direct relation between the degree of use and favorable attitudes toward cooperatives can be observed. There was a similarly strong negative relation between the degree of use and unfavorable attitudes. Non-user heads are 58.1 percent for cooperatives in general, and 8.9 percent against them. High-user heads are 93.7 percent for, and 0.5 percent against cooperatives. The low and medium-users rank between those extremes.

Little difference was found between male and female heads with respect to their attitudes toward cooperatives in general. This holds both for the sample as a whole and for all sub-divisions. Throughout, male heads tended to be

slightly more favorable and slightly more unfavorable toward cooperatives than did the female heads in the same category. The difference was rarely greater than two or three percentage points. To put the matter in another way--female heads showed slightly higher percents in the undecided category.

The very high percentage of respondents who are neither for nor against cooperatives is no doubt partly a result of the tendency of people to avoid offending anyone by taking a definite and strong position. However, this is also an indication of the fact that there is no clear image of what a cooperative is. A number of other factors in this study substantiate the fact that cooperatives are not clearly distinguished from other business organizations by large parts of the population. Perhaps this is due in part to the failure of cooperative education programs to describe adequately the non-cooperative business organizations.

Another indicator of understanding of cooperatives in general is the degree to which members support the movement generally. One measure of this is the extent of the support given the Co-op Label. Only 19 percent of the member-respondents indicated that they selected Co-op labbelled goods when they had a choice between a "name" brand article and a co-op lable article.

The facts listed above indicate an inadequate conception of cooperatives by members and non-members alike. This is only part of the evidence from this study which supports this conclusion. Unfortunately much of the evidence is not quantifiable and can be expressed only as a general impression of interviewers and researchers.

(iii) Knowledge of the Local Cooperative

In addition to knowledge of consumer attitudes towards cooperatives in general, policy-making at the local evel will benefit from knowledge about attitudes towards and knowledge of the local cooperative. Most of the questions, in this area, were asked of members only.

One of the questions asked of all respondents sought to determine the attitudes toward the local cooperative. Again the results show a very large percentage of "fence-sitters." (See table below). The non-member category had 76 percent of the respondents who stated that they did not know enough about the cooperative to have formed an attitude. Twenty-five percent of low-user members and 30 percent of non-users, in spite of the fact they had purchased memberships, thought that they had inadequate information to form an opinion.

ATTITUDES OF RESPONDENTS TOWARD LOCAL CO-OP, BY USER CATEGORY
(All Figures are Percents)

	City Members					
	Non-User	Low-User	Medium User	High-User	All Members	Non-Members
Like the Co-op and support it	57.2	65.8	91.2	92.5	75.2	14.5
Don't know much about the Co-op	29.4	24.7	5.9	3.7	17.1	76.0
Don' like the Co-op and its policies	13.4	9.5	2.9	3.7	7.7	9.5

A rather disturbing finding of the study was that some members of the cooperative do not even know what facilities their cooperative owns. When asked why they did not patronize their food store to a greater extent, a frequent reply was that there were no parking facilities--this in spite of the fact that there has been ample parking space provided behind the store for over two years. When asked the same question about their drug store several replied that they did not know the co-op had a drug store.

An unfortunate situation also exists with respect to member feelings about the prices at the cooperative. Member respondents were asked to compare co-op and chain store prices. Twenty-three percent stated that they thought prices were higher. Even among the high-user group 10 percent thought prices were higher. Even among the high-user group 10 percent thought prices were higher. A systematic comparison of prices showed that prices were identical. It would appear that the fact that goods are "sold at market prices" has been inadequately communicated.

The facts listed above cause one to wonder why memberships are purchased. Among the city members, the single most important reason for joining was encouragement by friends or relatives. This category accounts for over one-fifth of the total reasons given. It is offered more of ten by the high-users than by low-users. If all the social motives (as opposed to individual) for joining are combined into one category 51 percent of the reasons for joining are accounted for.

While it was not possible to produce quantifiable data on how members referred to their cooperative, it was very clear that most of them do not identify the organization as being theirs. Frequent reference was made to "they" and "their" rather than "we" and "our."

It would seem obvious from the above data that there is: a need to develop a clearer image of the cooperative as something different than other retail outlets; a need for making members aware of what facilities their organization has; a need for making members aware of the fact that it is <u>their</u> organization; and a need to raise the level of knowledge and participation amongst its members. The last problem may be difficult to overcome without structural changes in the organization since it has now become so large.

EDUCATIONAL IMPLICATIONS OF THE STUDY

What does all this mean for cooperative educators? It seems clear that adequate knowledge and understanding of cooperatives coincides with high participation and patronage. It is likely that these are interdependent variables rather than dependent and independent variables. Support for increased expenditures on educational activities can be readily found in the data above. On the other hand indications of inadequacy and failure of present educational activities could be used to justify decreased expenditures. New techniques and new programs must be found if continued and increased expenditures are going to be justified.

The principles which emerge from this study as suitable guides in the

development of education programs are essentially those I suggested one year ago at the ninth annual meeting of this group. I hope you will pardon me if I repeat these principles.

I. Study Time and In-Service Training Essential

Educators need not always be teaching to be doing their job. Time spent in the collection and study of data is essential to a good job of teaching. The tendency to measure educators by the number of speeches made, meetings organized or classes taught must be resisted.

II. Co-ordination of Effort

There are enough similarities in the different parts of the cooperative to make essential a co-ordination of educational activities. Some progress is being made but much remains to be done.

III. Research

Educators of the cooperative movement have a great deal to gain from research. Some of the research may be done by educators themselves but at the same time educators should promote at the management and director level greater allocations of funds for research.

IV. Study-Groups Needed

Changing power relationships and social structure are difficult to comprehend. Study groups would be of great value. People's movements for social and economic change have used and are using study-groups to great advantage. It is hard to think of a single successful movement of this kind which did not use a study-group. This technique will not work for all of the membership but it will create a hard-core of solid supporters.

V. A Need to be "Fight" Conscious

There is a need to be fight conscious. In addition to being for the cooperative way of production and distribution, you are at least implicitly against the private-profit way of doing these things. Co-operatives must expand to survive, and expansion can take place only at the expense of private profit organizations. Private profit organizations are not known for granting concessions willingly. Real gains by cooperatives (i.e., those in which cooperatives increase their share of the total economy) have come only when cooperators have been willing "to stand up and be counted."

VI. A Need to Describe Milieu

Unless cooperative principles and philosophy are considered in the context of our society they will be dry, sterile and meaningless to people. This means spending more time describing in realistic terms the non-cooperative business enterprise.

[illegible]

I. [illegible]

[illegible]

II. [illegible]

[illegible]

III. [illegible]

[illegible]

IV. [illegible]

[illegible]

V. [illegible]

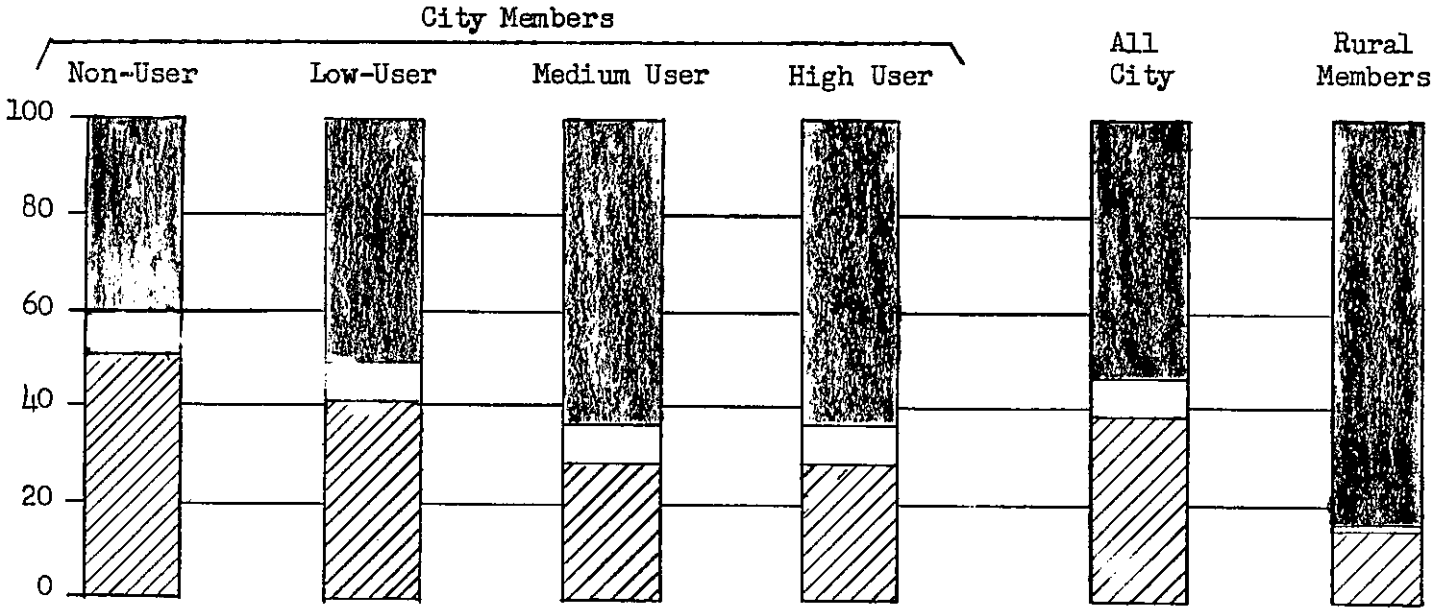
[illegible]

VI. [illegible]

[illegible]

FIGURE 1

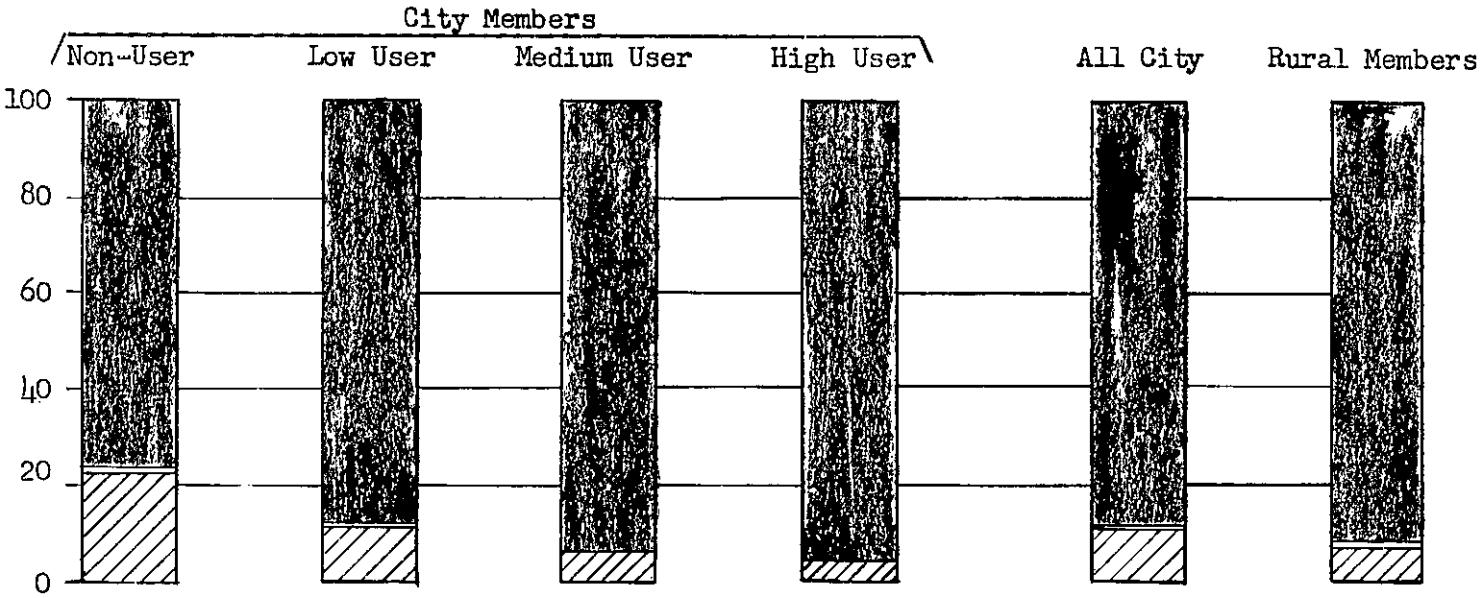
Knowledge About Voting Rights of Members, By User Category



Question: Is it correct that the more shares a Co-op member has the more votes he has?

FIGURE 2

Knowledge About Patronage Dividends, By User Category



Question: Do customers of the Co-op who are not members get patronage dividends for their purchases?

Code

Correct

Incorrect

Don't Know

Code

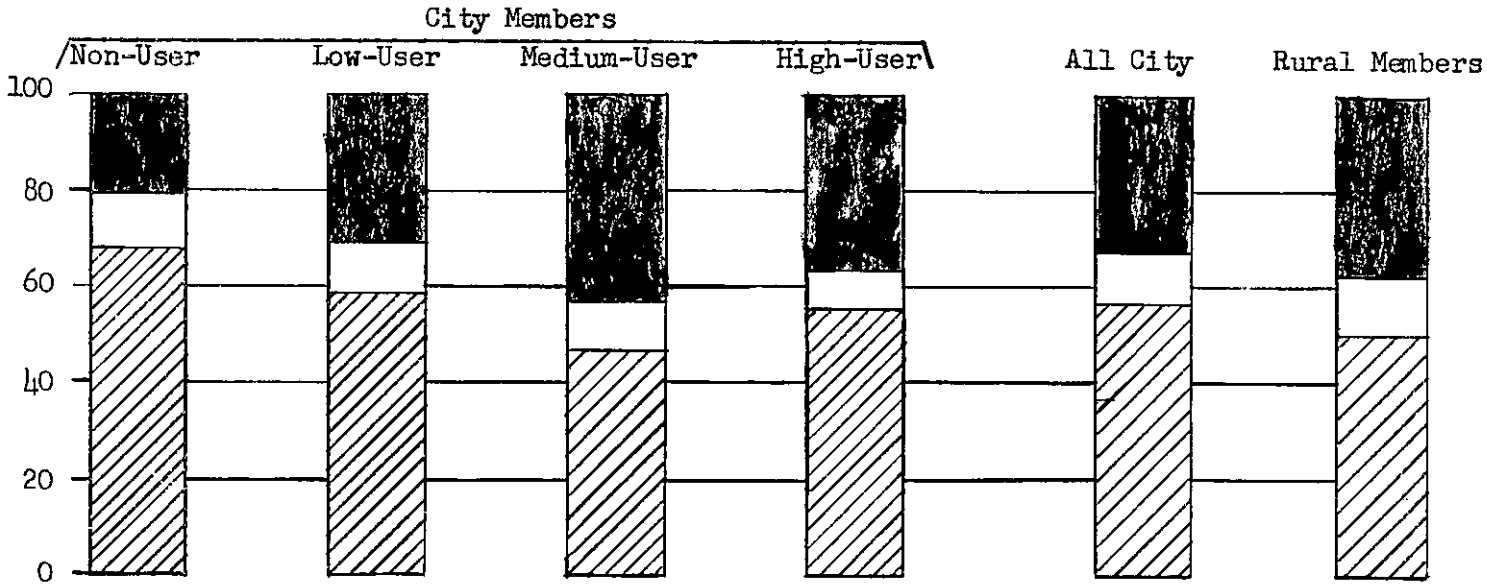
Correct

Incorrect

Don't Know

Knowledge About the Autonomy of Local Co-operatives, By User Category

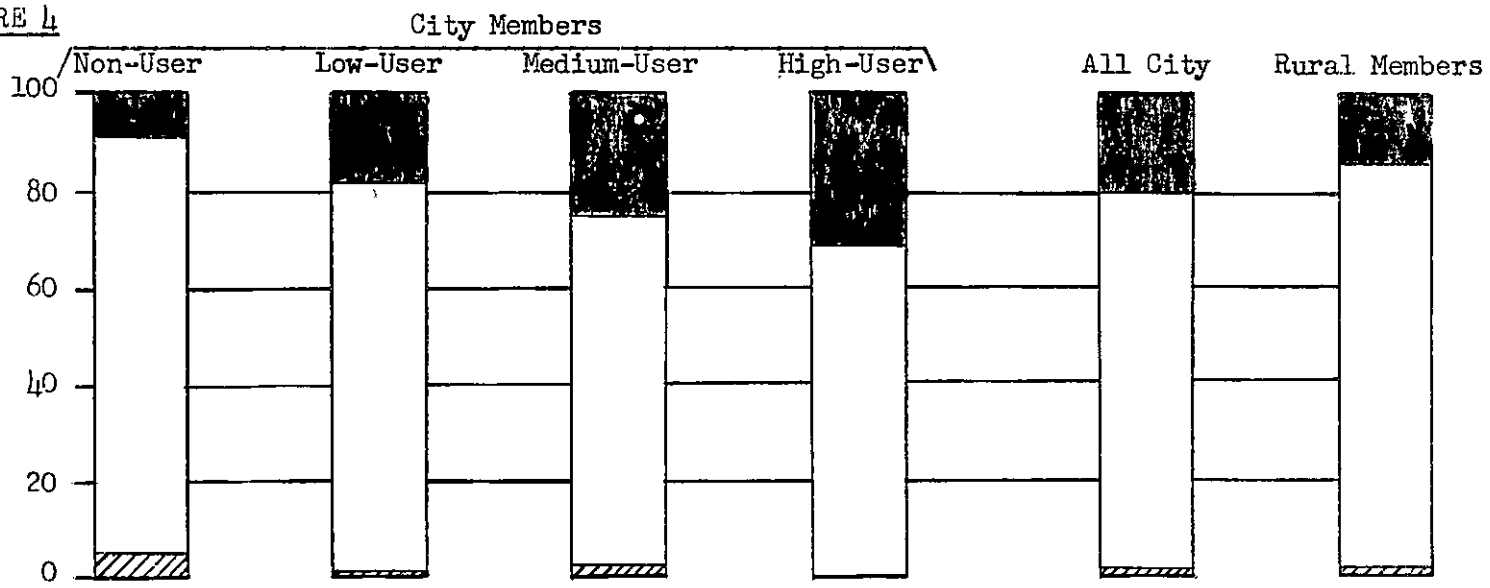
FIGURE 3



Question: Does Federated Co-operatives determine the policies of your local cooperative?

Attendance at Annual Meetings, By User Category

FIGURE 4



Question: Have you ever attended a membership or annual meeting of your local cooperative?

Attended

Never Attended

Don't Know

Code

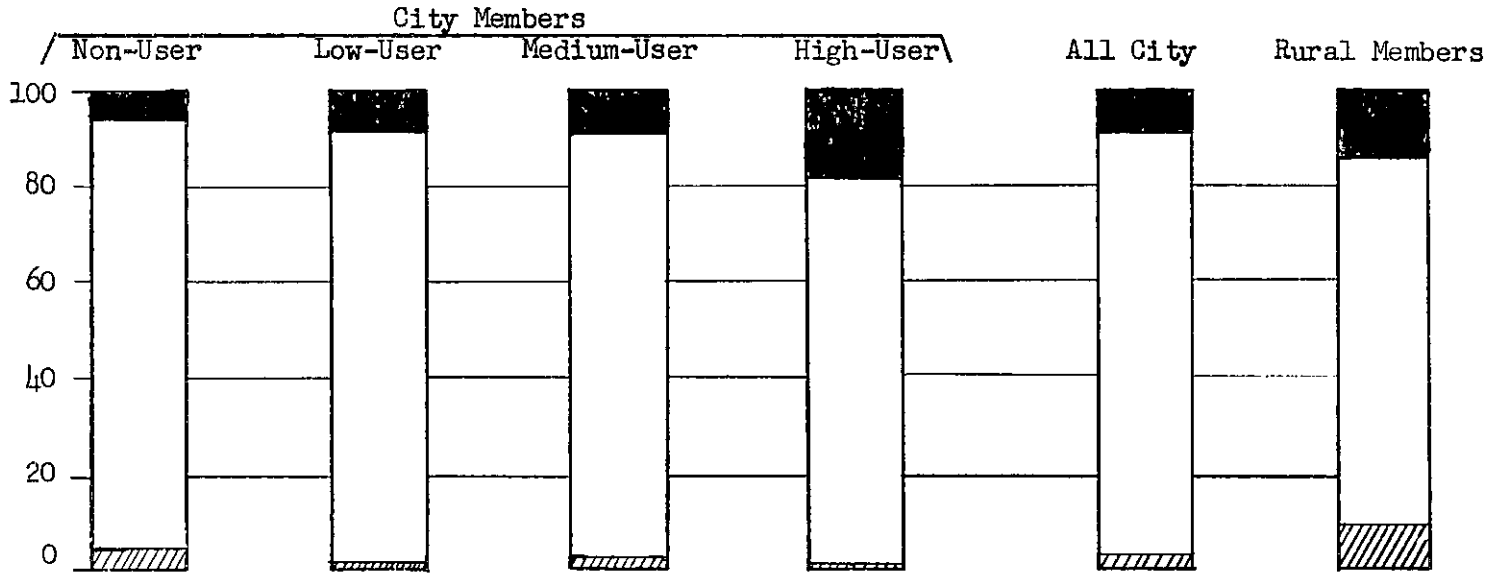
Made suggestions

Had not made suggestions

Don't Know

Members' Suggestions to Management

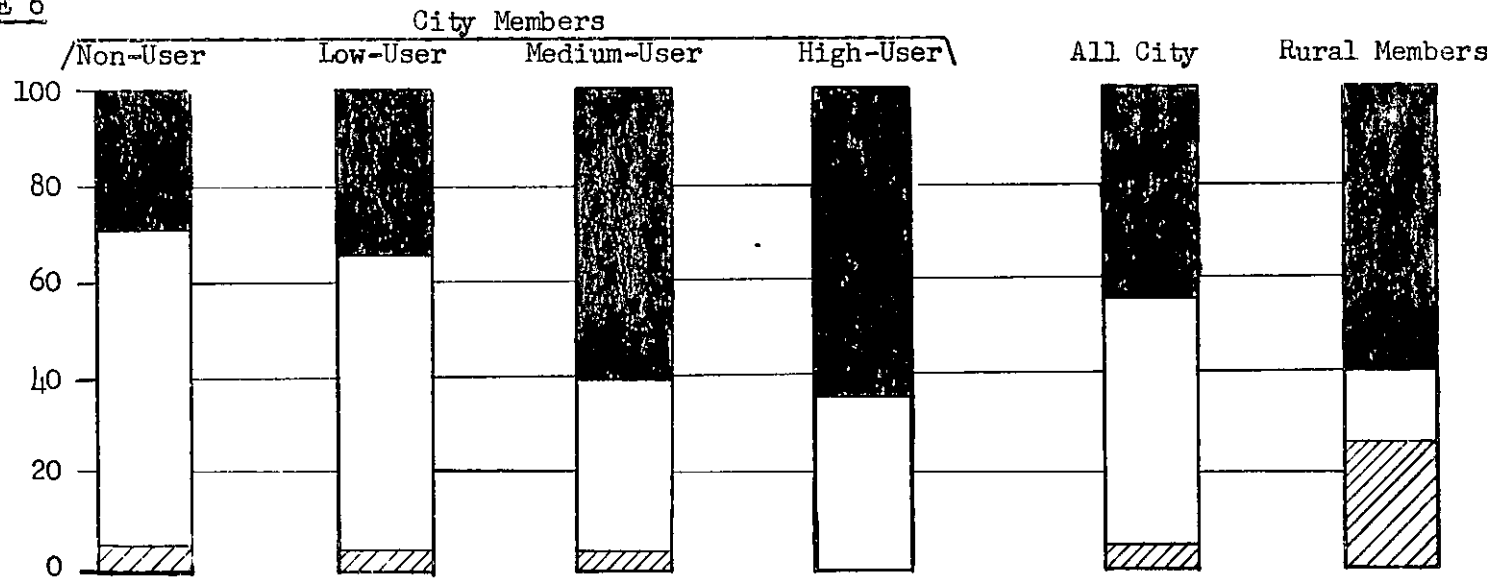
FIGURE 5



Question: Have you ever made any suggestions about improving service, prices, goods handled or policies to the Co-op management?

Encouraging Others to Join the Co-operative, by User Category

FIGURE 6



Question: Have you ever encouraged friends, neighbors or relatives to become members of the Co-op?

Had encouraged

Had not encouraged

Don't know

x x x x x x x x x

Given these general principles, it would seem logical to ask what specific steps should be taken. Progressive and imaginative programs require a willingness to experiment and test new ideas. A few of those that it would seem to me to be worth testing are listed below for your consideration and discussion. Modifications would be required to take into account the different kinds of cooperatives and their different stages of development. However, the essential requirement at this time is a willingness to make some fundamental changes. You will see that most of the proposals are for basic structural changes. I am not at all convinced that the failures in cooperative education are not largely inherent in the organizational framework of the cooperative. These suggestions are not intended as a prescription for the ills of cooperative education but rather as an attempt to create discussion on new approaches to the problems you face.

A. Cooperative educational groups such as this should make it official policy to request a certain percentage of dividends be devoted to educational efforts.

B. Patronage dividends should be conditional upon attendance at a certain number of information and education meetings.

C. Patronage dividends should be conditional upon the member patronizing his organization up to a certain percentage of total purchases or marketings.

D. The delegate system (or some other type of representative democracy) should be introduced, with clear responsibilities for each level and a requirement of participation by members, before membership becomes so large that direct democracy cannot work.

E. Directors should be remunerated and this fact should be made known.

F. There should be an increased emphasis on education rather than promotion.

G. Care must be taken to ensure that the emphasis on techniques of education does not lead to inadequate content in the programs.

In closing, may I remind you that the study on which this paper was based was not directed specifically to an examination of education needs and programs. Nevertheless it became evident that the largest expansion potential of this cooperative was within its own membership. If the levels of participation in terms of patronage could have been raised in 1960 to the point where every member was purchasing half of the family requirements at his cooperative, the sales in the food department would have risen by over 250 percent; in the drug department by 570 percent; and the hardware department by 320 percent. Can education raise participation to this 50 percent level?

ATTITUDES TOWARD COOPERATIVES AND INTERPRETATION OF A RESEARCH PROJECT

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(Notes on flannelboard presentation)

The co-op image is either fuzzy, partly understood, or distinct, depending on people's understanding. The National Opinion Research organization says that businesses often don't think through the problem of creating an image. Hiring an advertising agency to do the job is not enough. You must decide:

- What do you want people to think about you? There may be no long-range pattern.
- Ask yourself: Who are we? What do we stand for--in society as a whole, in our community?
- How are we distinctive? Many companies try to create a product differentation.
- How do we serve our public? How do people get images from co-op products and services? From the people in co-ops? (The employee may <u>be</u> the co-op.)
- With whom are you building an image--members, new members, non-members, the community at large? You may want to push or stop some legislation. You probably don't want to, or can't project the same image to all publics.

You can't be all things to all people. You pinpoint which aspects you want to emphasize to each audience--rifle shots, not shotguns.

What is our <u>existing</u> image? What do all groups think of us? <u>Which</u> concepts are correct, incorrect or fuzzy?

The image is communicated by ACTIONS. You can't expect to live on your laurels.

People get the clearest image from employees. They talk about <u>where</u> they work, for <u>what kind</u> of an outfit. Products reflect an image. Mass communications also do a lot toward image formation.

"Influentials" are most important--they talk to people who can and do reach other people. You can educate employees as to what the co-op is trying to do--the employee is the member's image of the co-op. He may contact many more members than the manager or assistant manager.

Co-ops need to think more about being distinctive from other businesses. Too many try to be respectable; say, "me too." As a defense mechanism, they like to be accepted. Dichter is supposed to have said that the A & P was doing a better job of making the customer think it was working in his or her

interest, than the co-ops.

Who are we? The co-op is the members' decision to jointly conduct some of their individual businesses together. The co-op association is a mutual, multi-lateral agreement between individuals to combine some of their consumption patterns, to get certain goods and services at cost. Each member is trying to get the best deal for himself, whether he does this alone or with others, whether he's a farm producer or a consumer.

A participating member has to have a basic understanding of his role as a member. He must

-Make decisions (as he does in his own individual business)

-Patronize--you don't finance the co-op, then not use it.

-Finance--each member must pay his share, as in his own business.

-Share costs.

-Bear risks.

-Get facts and understanding.

-Help on organizational maintenance--serve on committees, etc.

-Share in the benefits--because he has done the above things.

In one community the existing image of the cooperative was:

Description of Cooperatives

Farmer Members		Non-Members in Town	
Goods & Services	80%	Goods & Services	67%
Profit	9%	Profit	15%
Socialism	1%	Socialism	5%
Don't Know	10%	Don't Know	13%

Voting

Farmer Members		Non-Members in Town	
1 vote per man	71%	1 vote per man	38%
By stock	14%	By stock	14%
Don't know	15%	Don't know	48%

Who Selects Managers

Farmer Members		Non-Members in Town	
Directors	41%	Directors	61%
Members	5%	Members	22%
Wholesale	0%	Wholesale	1%
Don't Know	54%	Don't Know	16%

Differences: Dividend Refund

Farm	Yes: 31%	No: 19%	Don't Know 50%
Town	Yes: 55%	No: 27%	Don't Know 18%

Property Taxes

Farm	Yes: 69%	No: 5%	Don't Know 26%
Town	Yes: 56%	No: 16%	Don't Know 28%

Income Taxes

Farm	Yes: 46%	No: 18%	Don't Know 36%
Town	Yes: 23%	No: 43%	Don't Know 34%

Are Co-ops Exempt from Taxes?

Farm:	Yes: 20%	No: 36%	Don't Know 44%
Town:	Yes: 37%	No: 24%	Don't Knoq 39%

Respondents' Attitudes Toward Cooperatives

Farm		Town	
Favorable	81%	Favorable	40%
Neutral	17%	Neutral	32%
Unfavorable	2%	Unfavorable	28%

Cooperative's Effect on Town and Country Relations

Farm		Town	
Better	27%	Better	33%
No effect	50%	No effect	42%
Poor	21%	Poor	19%
Don't Know	2%	Don't Know	3%

Cooperatives are a Part of Free Enterprise: Yes--70% No--30%

Do you think co-ops step toward socialism?
Do you think co-ops step toward communism? Yes--38% No--47%

Can co-ops claim special values? Yes, more than others. These values include:

Private enterprise--pooling resources and sharing risks.
Self-financing
Local ownership and control
Efficiency
Growing

Sharing
Cooperation
Competition

Progressive
Community responsibility
Customer's interest

Image creation is a function of symbols--it is what we do as well as what we say--verbal as well as non-verbal.

"THE WORD FOR CO-OPS" - NEEDED INTERPRETATIONS AND APPLICATIONS IN MEMBER EDUCATION

by Professor Scott M. Cutlip
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I would like your permission, first, to give you a quick background of the genesis of the "Word for Co-ops" by outlining the thinking of the consultants who took a sharp, critical, candid look at cooperative public relations and educational efforts. And, second, to put before you what I regard as the basic principles of effective communication.

For the past several years, as you know better than I, there has been a growing uneasiness among cooperative leaders because co-op growth has not kept pace with our expanding population and expanding economy. There has been an uneasy feeling, at least among the leaders of cooperatives I've talked to, that the drive, the verve, has been trickling or draining out of the cooperative movement. Some years ago as a result of this concern about the co-op story and its effectiveness, The Cooperative League brought in Dr. Ernest Dichter, the motivational research expert who took a look at the cooperatives and their image with the public. He turned in a report which I am told was not too favorably received and was somewhat disturbing and jarring. Later a public relations committee was set up to examine the public relations efforts of the co-ops under the leadership of the very able Calvin Kyle of Nationwide Insurance. This committee brought in a panel of four consultants--myself, Pierre Martineau, research director of the Chicago Tribune, Professor Raymond Mack, Chairman of the Sociology Department of Northwestern University, and James Proebsting, Chairman of the Board of Roche, Richert and Cleary Advertising, Chicago who formerly was associated with National Cooperatives. We examined over a period of several days and weeks, the output of cooperative educational and public relations material. We did a complete inventory of The Cooperative League materials and of various other cooperative materials. Then, each one of us wrote a lengthy memorandum telling our impressions of the materials. We came together for a day long session with the committee and with Jerry Voorhis and others in Chicago. Out of this one of the concreteresults of all this deliberation was the "Word for Co-ops," and we'll come back to it later.

First of all, Pierre Martineau,who is a very distinguished researcher, says, "I should make it perfectly clear that there is a definite separation here between the services themselves which have been proved to be efficient and extremely helpful, as opposed to the image projected by this literature. In no sense am I talking about the services. I am trying to confine myself in a constructive sense to the negative image which I think is projected by the literature.

"In my life experience, I have continuously encountered groups of people who in a sociological sense make a religion out of some worthwhile idea. It becomes their way of life. In this context, I think the consumer co-op management activity should be thought of almost as a religion, rather than an economic program insofar as the elite group behind the movement are concerned. Throughout this printed literature and the movies runs the same theme--'dedicated'--'one vote'--'democracy in action'--'international peace.'