

Consumer News & Views

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Consumer Confidence Rises Dramatically for January 2015. Consumers not only remained upbeat as 2015 got off to a fast start, but their confidence skyrocketed thanks to low prices at the gas pump and an improving labor market. The Conference Board's **Consumer Confidence Index**[®], which had increased in December, rose sharply in January. The Index now stands at 102.9 (1985=100), up from 93.1 in December.

Consumer confidence is now at its highest level since August 2007 (Index, 105.6). According to The Conference Board, a more positive assessment of current business and labor market conditions contributed to the improvement in consumers' view of the present situation. Consumers also expressed a considerably higher degree of optimism regarding the short-term outlook for the economy and labor market.

Happy Customers



Thomas Hinton, president of the American Consumer Council, a non-profit consumer education organization, stated, "We expect consumer confidence to steadily improve and 2015 to be a banner year. The USA's economic outlook is very positive despite economic rumblings in Europe and China. American businesses continue to outperform the world because of their innovation and high quality standards. These factors will also keep the labor market strong and push wages up."

Hotels are Out of Sync with Consumer's Needs. Who is doing the thinking for the hotel industry? It seems hoteliers are out of control and gouging consumers with unfair fees and add-on charges. Complaints are up dramatically among members of the American Consumer Council (ACC) and travelers who feel hotels and resorts are taking unfair advantage of consumers by charging unreasonable resort fees, taxes and Wi-Fi charges in addition to rising hotel room rates.

According to the American Consumer Council, travelers are upset and want greater transparency and disclosure up-front before they book a hotel room.



Thomas Hinton, president of the American Consumer Council (ACC), cited two examples based on a recent survey of consumer concerns. Hinton said, "Resort fees are a growing concern for consumers and it's reached a point where regulators need to step-in and demand transparency from the hotel and lodging industry."

Hinton added, "When a traveler books a hotel room, they have a right to know the full cost of that room including taxes and fees. There should be no surprises. Unfortunately, that's not the case with most 4 and 5-star hotels. They are taking advantage of consumers by not disclosing all the hidden fees, charges and taxes. Why can't they be honest and stop misleading consumers?"



The American Consumer Council also chastised Marriott Hotel's senior management for its illegal Wi-Fi policies and over-charging guests who were forced to use the hotel's Wi-Fi hot spots. In October, the Federal Communications Commission (FCC) fined Marriott Hotels \$600,000 for its illegal Wi-Fi practices.

ACC's Hinton stated, "When the FCC must step in and fine Marriott Hotels for its illegal and abusive practices, it's time for a major change at the top of that organization because greed has clouded management's judgment. That's toxic in any industry and, as a result, Marriott's credibility with consumers has suffered a serious blow."

However, Marriott isn't alone in its former Wi-Fi practices. Last summer, a group of hotel chains issued a request to the FCC, asking for permission to block personal hot spots based on the group's belief that personal hot spots could cause undue security issues in hotels. The FCC has yet to rule on the topic, and many major technology companies -- including Microsoft and Google -- have argued that blocking personal hot spots is wrong. The wireless industry organization, CTIA,

also criticized the hotels, saying that hotel guests have the right to use their personal cellular networks whenever they'd like.

The American Consumer Council isn't buying this explanation and issued a statement supporting CTIA's position. "ACC believes the issue centers on Marriott's unwillingness to forego significant revenue it would reap from its wireless network services; and, this is why it blocked personal hot spots – to boost that revenue stream at the expense and frustration of its customers. This practice is bad for consumers, and it represents poor judgment on the part of Marriott's leadership because it's based on corporate greed, pure and simple."

Will Consumers Benefit from President Obama's State of the Union Message? President Obama's recent State of the Union (SOTU) address, focused on the needs of consumers and building economic opportunities for the middle class. President Obama referred to "Middle Class Economics" throughout his speech signaling he will focus on a number of issues to help improve the economic standing of the Middle Class.

Here are some of the highlights the president proposed to help consumers make ends meet, increase their earnings and save on taxes:

MIDDLE CLASS ECONOMICS: The president's speech included several proposals designed to help middle-class families overcome the economic stagnation that remains for many.

CHILDCARE: A new tax cut proposal of up to \$3,000 per child, per year (triple the current \$1,000 benefit).

MANDATORY PAID LEAVE: A proposal that every worker receives up to seven days of paid leave.

RAISING MINIMUM WAGE: The president asked Congress to pass a law guaranteeing equal pay for women and to raise the national minimum wage (though no exact figure was mentioned).

FREE COMMUNITY COLLEGE: Extending free public education past high school to include two years of community college. This proposed plan would, by some estimates, cost \$60 billion over the next decade. The President suggests that these costs could be offset by raising capital gains and broadening taxable inheritances.

CLOSING TAX LOOPHOLES ON WEALTHY AMERICANS: The president proposed raising the capital gains tax rate to 28 percent for wealthy Americans and require heirs to pay capital gains tax on any appreciated assets they inherit. Currently, inherited assets are valued at their current market value when received by heirs.

ACC's *Friend of the Consumer* Award Recognizes Outstanding Businesses in 2015.

Is your business consumer-friendly? Does your business deserve greater recognition for its service to consumers? If so, you should apply for the American Consumer Council's Friend of the Consumer Award.

Throughout the year, ACC presents its "Friend of the Consumer" Awards. This prestigious award recognizes manufacturers, retailers, and other businesses that produce or sell products in the United States that meet or exceed federally-mandated standards and are touted by consumers as "consumer friendly."

Each year, ACC awards numerous "Friend of the Consumer" Awards to deserving companies and organizations because they have "demonstrated a commitment to American consumers by providing a specific product or service that fosters consumer confidence and market acceptance."



To apply for the "Friend of the Consumer" award, complete the online application and return it to ACC with the application fee. Applicants will be notified within 5 days of receipt of their application. Thereafter, a panel of independent judges will review your application and make a formal recommendation within 25 days of receipt of your award application.

For more information, visit: <http://www.americanconsumercouncil.org/awards.asp>

Green CSM Certification Accepting Applications for 2015 Spring Cycle:

If your company or organization would like to increase its credibility with consumers, you should consider applying for the **Green CSM Certification**. Applications for the 2015 Spring cycle are now being accepted through March 31, 2015.

It's a proven fact that consumers want to do business with companies that are eco-friendly and practice Corporate Social Responsibility (CSR). The process is straight-forward and all applicants are recognized by ACC and the Green USA Institute.

All applicants complete the criteria and submit their responses to ACC's Green Consumer Council for review, assessment and feedback. Program details and the **Green CSM Certification** criteria can be viewed at ACC's website located at: <http://americanconsumercouncil.org/greenc.asp>

