

THE SATISFACTION OF CONSUMER COMPLAINERS WITH CONSUMER PROTECTION AGENCIES

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INTRODUCTION

A number of theoretical writings and much empirical research have recently focused on the satisfaction and dissatisfaction of consumers. For example, consumers who are dissatisfied, (Warren, Herman and Willits, 1975), who have complained, (Edgecombe and Wolfe, 1975), and who have been in the forefront of the consumerism movement, (Thorelli, Becker and Engledow, 1975) have all been profiled. The area of consumer satisfaction and dissatisfaction and its measurement have received much private and public sector attention, (Day, 1976; Hunt, 1977). This third annual conference bears witness to the burgeoning interest and importance of the area.

This paper presents but one relatively specific and little researched part of the consumer complainer satisfaction/dissatisfaction area. That is, it presents the satisfaction of consumer complainers with consumer protection agencies. The purpose of this paper is to determine what type of consumer complainers are satisfied and what type are dissatisfied with the consumer protection agency which is serving them.

RESEARCH PROCEDURES

A random sample of 1400 recent Wayne County Consumer Protection Agency (WCCPA) complainers' files which had been closed by the WCCPA was drawn. A questionnaire was devised, pretested and finally administered by telephone in February 1977 with a total of 1188 usable responses being obtained. The WCCPA was one of the first county consumer protection agencies in the country and represents one of the five largest county populations in the U.S. (U.S. Department of Commerce, 1972).

FINDINGS

Format

All findings herein presented are couched in terms of a simplified complaining process model. This model allowed researchers the opportunity to analyze the data in a realistic and systematic manner culminating in discrete measures of consumer satisfaction. This method also permitted the researchers to distinguish those who claimed to be satisfied with the WCCPA's services from those who claimed to be dissatisfied by their type of complaint, whether or not they became involved in the complaint's resolution, and the type of resolution they received. In addition, the demographics of all respondents were analyzed in each of the various process stages to discover whether those who belong in the differing categories of each stage also differ demographically.

Complainer Profile Findings

The data demonstrated that the WCCPA demographic profile was significantly better educated, younger, and earned more income than the average Wayne County resident. These results generally concur with a number of earlier mentioned studies, (Warren, Herman and Willits, 1975;

Edgecombe and Wolfe, 1975; Thorelli, Becker and Engledow, 1975; Day, 1976; Hunt, 1977).

Simple Stage by Stage Complaining Process- Satisfaction Determining Model and Initial Findings¹

The initial findings of the complaining process satisfaction determining model were presented in April 1978, (Bernacchi, Kono and Smith). These findings are now summarized. The left hand column presents the aforementioned model in its four stages and the right hand column establishes the categories for each stage as well as collected data for each category of each stage.

Model

General Type or
Category of
Complaint Filed²

Complainer³
Involvement

Type of
Resolution⁴

Satisfaction⁵

Initial Findings

<u>complaint type</u>	<u>%</u>	<u>n</u>
1. Product	- 44%	(523)
2. Product-Service	- 30%	(356)
3. Service	- 26%	(309)
	100%	(1188)

<u>involvement</u>	<u>%</u>	<u>n</u>
1. Yes	- 45%	(537)
2. No	- 55%	(651)
	100%	(1188)

<u>resolution type</u>	<u>%</u>	<u>n</u>
1. Refund Desired	- 39%	(464)
2. Other	- 23%	(270)
3. Referral	- 38%	(454)
	100%	(1188)

<u>satisfaction</u>	<u>%</u>	<u>n</u>
1. Yes	- 61%	(722)
2. No	- 39%	(466)
	100%	(1188)

¹The data and process model presented in this section of the paper are adapted from an earlier paper presented by the same authors.

²Category of complaint is referred to here as to whether the complaint concerned a product, only; services rendered, only; or some combination of a product's performance and services rendered.

In summary, stage by stage descriptive findings indicated that:

1. About 60% of all respondents were satisfied with their resolution.
2. Refunds and referrals were the dominant type of agency resolution with 39% and 38% of all resolutions being of those types, respectively.
3. Over one-half (55%) of all complainers decided not to become further involved (beyond initiating a complaint) in the resolution of their complaints.
4. Product type complaints (44%) were much more prevalent than either product-service or service only complaints.

Given the focus of satisfaction's further analysis obtained by cross-tabbing satisfaction with the remaining three process stages or variables yielded the following.⁶

Complaint Type	Satisfied	Involvement	Satisfied
1. Product	69% of 523	1. Yes	79% of 537
2. Prod.-Serv.	61% of 356	2. No	49% of 651
3. Service	41% of 309		1188
	1188		

Resolution Type	Satisfied
1. Refund Desired	84% of 464
2. Other	38% of 270
3. Referral	36% of 454
	1188

These data clearly demonstrate that:

1. A service complaint is much less likely to be "satisfied".
2. A complainer who becomes involved in the complaint resolution process is much more likely to be satisfied than one who remains uninvolved.
3. Those who receive refunds are overwhelmingly more satisfied than those who do not receive refunds.

Given the above analyses, the remaining critical question would seem to be what are the relationships between being satisfied and complaint type, involvement, and resolution type taken together. This information is presented using a decision tree diagram.

Demographic Profile of Consumer Complainers by Complaining Process Stages

Consumer complainer profiles were detailed by education, age, sex, and income level to determine whether those characteristics distinguished those who initiated different types of complaints, became involved or not in the complaint resolution, the type of resolution, and whether they were satisfied or not. The data demonstrated that the various profile demographics of consumer complainers did not significantly differentiate complainers in any of the process stages.

Related Stage by Stage Process Model Findings

While demographic profile data did not differentiate those in the various stages of the process model the same can not be said as one relates the findings of the various stages of the complaining process model to each other. Those findings are diagrammed below and discussion follows.

The data presented in the following diagram clearly distinguishes between consumer complainers as one compares and relates the various stages in the process model.

In capsule:

1. Generally speaking, product complainers regardless of resolution type are likely to be better satisfied than either product-service or service complainers.
2. Generally speaking, those who received refunds were much better satisfied than those receiving other resolutions independent of the nature of the complaint or whether or not they were involved in the complaint or whether or not they were involved in the resolution of their complaint.
3. Those who were involved in the resolution of their complaints and did not receive a refund (other and referral resolutions) were much more likely to be satisfied than those who were not involved and did not receive a refund.
4. Unlike product or product-service complainers who received refunds, service complainers who received refunds and were not involved were much less likely to be satisfied than service complainers who received refunds and were involved.

³Complainer involvement refers to whether or not the complainer, at the agency's request, continued or became actively involved in the resolution of the complaint. Actively involved here means self-help or aiding in the solution of one's problems.

⁴There were three categories of complaint resolution determined. A resolution was classified as a refund or desired resolution if the complainer was refunded or received a non-refund resolution which was desired by that complainer. These two categories were merged since refunding was overwhelmingly preferred as the desired resolution save those few desired non-refund resolutions mentioned above. The referral resolution was determined by the agency and meant that the complaint was referred to another agency for further disposition. The "other" resolution is referred to here as all resolutions other than "refund desired" and "referral." That is, the other resolution is a compromise resolution because the complainer while receiving a resolution from the agency (unlike referral) nevertheless is not put back in the same economic position (referral) he/she was prior to the marketplace transaction from which his/her complaint emanated.

⁵Satisfaction here referred to whether or not the complainer admitted being satisfied with the services of the agency.

⁶Supra, note 1.

NATURE	INVOLVEMENT	RESOLUTION TYPE	SATIS- FAC- TION
Product 44% (523)	Yes 50% (261)	Refund 54% → 91%	(141) (128)
		Other 15% → 89%	(39) (35)
		Referral 31% → 88%	(81) (71)
	No 50% (262)	Refund 34% → 88%	(89) (78)
		Other 26% → 28%	(68) (19)
		Referral 40% → 30%	(105) (31)
Product-Service 30% (356)	Yes 44% (159)	Refund 46% → 86%	(72) (62)
		Other 24% → 66%	(38) (25)
		Referral 30% → 72%	(47) (34)
	No 56% (199)	Refund 33% → 88%	(66) (58)
		Other 20% → 28%	(40) (11)
		Referral 47% → 28%	(93) (26)
Service 26% (309)	Yes 36% (117)	Refund 44% → 88%	(52) (46)
		Other 25% → 45%	(29) (13)
		Referral 31% → 56%	(36) (20)
	No 62% (192)	Refund 23% → 66%	(44) (29)
		Other 29% → 18%	(56) (10)
		Referral 48% → 78%	(92) (26)

CONCLUSIONS AND IMPLICATIONS

This paper has been concerned with the consumer satisfaction of a public sector service. The concept of satisfaction is labored here because the complainer is already established as a consumer who is dissatisfied with his results in the private sector marketplace and has, therefore, sought satisfaction in the public sector marketplace. Further, it should be recognized that satisfaction was measured as a discrete variable for a service which was consumed but not purchased by the consumer. All these facets are recognized as possible limitations on the generalizability of the completed study. Nonetheless, the data point to certain inescapable conclusions given the goal of a satisfied consumer.

1. Consumer protection agencies should focus on obtaining refunds for their complainers.
2. Consumer protection agencies must involve their complainers in the resolution of their complaint.

3. Consumer protection agencies must be very conscious of service complainers because of their high potential for dissatisfaction. Further, the data indicated the need for service complainers to become involved in their complaint resolution even though the resolution leads to a refund.

While the above "refunding", "involvement", and "service" conclusions are all fairly obvious and expected, in the aggregate they portend serious dissatisfaction potential for the consumer complainer marketplace. That is, a consumer complainer with the greatest opportunity for satisfaction would typically be one who had a product based complaint, was involved in the resolution of that complaint, and perhaps most importantly received either a "refund" or another type of "desired" resolution. Further, it may be hypothesized that products because of their tangibility generally present more direct, less complicated, and less frustrating issues than do service related complaints.

In short, the evaluation and resolution of service complaints appear to be much more difficult and time consuming. The end result is likely to be a complainer who will desire less involvement because of the complexity and frustration of service complaints, is less likely to be refunded and who definitely, as the data show, will be less satisfied with his complaint resolution. The moral is simple. Consumer protection agencies must become increasingly sensitive to the service oriented complaint, must establish the proper mechanisms to involve the complainer in complaint resolution (short of increasing consumer frustration) and must actively pursue refunding oriented resolutions.

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