

AN ABSTRACT OF THE THESIS OF

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in Family Resource Management presented on December 9, 1980

Title: Consumer Satisfaction with Problem Resolution in Oregon: An

Analysis of Determinants

Redacted for Privacy

Abstract approved: (Dr. Virginia Dickinson)

The purpose of this study was to investigate whether or not dissatisfied consumers take action to solve consumer problems and to assess consumer's satisfaction with problem resolution. The data base for this study was derived from responses to the "Consumer Attitude Survey", conducted in 1980 by the Oregon Consumer Services Division (OCSD) of the Oregon Department of Commerce. The survey was conducted by mail questionnaire which was sent to a random sample of 1,000 Oregon citizens; 658 completed questionnaires were evaluated.

Respondents were requested to identify the most serious consumer problems they had experienced in the last year; who was responsible for the problem, whether or not they or anyone in their household lost time from work, school, or other activities because of the problem; and whether or not they took action to get the problem corrected. Those who did not take corrective action were requested to indicate why they chose to act in this manner. Those who did take corrective action were requested to indicate their satisfaction with the complaint handling process and the dollar cost of trying to correct the problem.

Responses to these questions and demographic data were used as

variables to develop a hypothetical model of consumer complaint handling behavior, and to construct research hypotheses. The chi square test for independence was used to test for significant relationships. The results of hypothesis testing provided evidence of statistically significant relationships between the dependent variable, the decision to complain or not to complain; and the independent variables, the type of problem experienced, and the party responsible for the problem. Additionally there were statistically significant relationships between the dependent variable satisfaction with problem resolution and the independent variables, cost of problem resolution, parties responsible for the problem, and number of contacts (when controlled for helpfulness of the contacts).

There is evidence in this study that some demographic characteristics of consumers are not related to consumer complaint handling behavior as it is usually stated in theories of consumer behavior. It was suggested that further research should be done in order to support this latter finding.

Consumer Satisfaction with
Problem Resolution in Oregon:
An Analysis of Determinants

by

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A THESIS

submitted to

Oregon State University

in partial fulfillment of
the requirements for the
degree of

Master of Science

Commencement June 1981

APPROVED:

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Date thesis is presented _____ December 9, 1980

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Consumer Satisfaction with Problem Resolution in Oregon:

An Analysis of Determinants

I. Problem Statement

Several recent studies provide support for the generally held belief that consumers experience problems with the consumption of goods and services (Nader, 1979; Schutz, 1979; Technical Assistance Research Programs: TARP, 1979). These studies are part of a recent trend in research in consumer economics and behavior, one which focuses on consumer satisfaction and dissatisfaction (Aaker and Day, 1978; Anderson, 1973; Clabaugh, 1979). Some researchers in this area have attempted to identify reasons for and present theories about consumer satisfaction. Others have focused on the ways consumers attempt to resolve feelings of dissatisfaction. The researchers have indicated that individuals use a variety of methods to reduce the dissonance experienced as a result of dissatisfaction with consumer goods and services (Cummings, 1976). The available options can be categorized in the following way (Barnes and Kelloway, 1979):

- (I) To do nothing
- (II) To take private action (by changing brands or suppliers, boycotting the product/service, or warning families and friends)
- (III) To take public action (by seeking redress directly from the retailer or manufacturer, bringing legal action,

complaining to the media, or registering a complaint with a consumer protection agency or voluntary organization).

In the reports of recent research it has been stated that between 31% and 51% of consumers who experienced problems with goods or services choose to do nothing or to take only private action (TARP, 1979; Andreasen, 1977). Minor problems, those involving inessential or inexpensive products, are less likely to result in complaints. The number of complaints also varies from product to product (TARP, 1979). Approximately 69% of all complaints involve public action. Of these, 90% are directed to businesses, while only 10.4% are directed to complaint handling organizations (TARP, 1979). TARP (1979) identifies manufacturers, suppliers of products, and government agencies that offer complaint handling services as primary complaint handlers, while government law enforcement, regulatory, and consumer protection agencies are identified as third-party complaint handlers.

According to the TARP study (1979), more than 40% of all consumers involved in a complaint action were totally dissatisfied with the problem resolution, and 10% were only partially satisfied (TARP, 1979). Considering the number of consumers who do not complain and the number of consumers who do not get a satisfactory problem resolution, it can be assumed that in most cases those consumers who experience problems do not get them resolved.

Several researchers have attempted to identify the determinants of consumer complaint handling behavior; their theories often cite demographic characteristics and consumer attitudes as factors influencing

such behavior. This study will utilize a combination of demographic characteristics and attitudinal aspects which, it is believed, influence 1) attempts to solve consumer problems as well as 2) satisfaction with problem resolution of consumer agencies. Based on the assumptions that consumers do experience problems with consumer goods and services and that they wish to seek satisfactory resolution of the problems they experience, it is posited that demographic factors and consumer attitudes towards consumer complaint handling agencies will influence whether or not consumers file a complaint with an agency and whether or not complainants are satisfied with the resolution that is achieved.

Purpose of the Study

In an attempt to evaluate complaint handling in Oregon, the Oregon Consumer Services Division conducted a consumer attitude survey in January/February 1980. The collected data from that survey were used in this study to analyze consumer satisfaction with problem resolution and to identify factors which influence the decision to complain or not to complain.

Major Objectives of the Study

The major objectives of the study were

- 1) To develop a model to show the relationship between the decision not to take action to resolve a consumer problem and selected variables.
- 2) To develop a model to show the relationship between consumer satisfaction with the complaint handling process and

selected variables.

Research Hypotheses

Based on the major objectives three research hypotheses were developed.

H₁: The decision whether or not to complain about an unsatisfactory product or service is dependent on:

- 1) Party responsible for the problem
- 2) Type of problem
- 3) Age
- 4) Marital status
- 5) Sex
- 6) Education
- 7) Income

H₂: The stated reasons for not complaining are dependent on:

- 1) The party responsible for the problem
- 2) The type of problem

H₃: Satisfaction with the complaint handling process is dependent on:

- 1) Cost of problem correction
- 2) Number of contacts
- 3) Time-loss
- 4) Party responsible for the problem
- 5) Type of problem
- 6) Age
- 7) Marital status
- 8) Sex

- 9) Education
- 10) Income

Limitations of the Study

The study was limited by the following conditions:

- 1) The consumer attitude survey questionnaire was developed by the research analyst of the Consumer Services Division of Oregon.
- 2) This survey was limited to consumers in Oregon, who may not be representative of all consumers in the United States.

Assumptions

- 1) It is assumed that the sample is representative of the State of Oregon.
- 2) It is assumed that the respondents answered the questions honestly.

Definitions of Terms

Consumers - Consumers are defined as purchasers or users of products or services in the marketplace or as recipients (actual and potential) of government supported services or benefits (TARP, 1979).

Attitudes - Attitudes are seen as a function of 1) the strength of each of several beliefs a person holds towards an object and 2) the value or importance the person gives each belief as it relates to the object (Loudon and Della Bitta, 1979).

Consumer Problem - A consumer problem is the specified expression of

the feeling a consumer experiences when being dissatisfied with a good or a service. According to Maynes (1976), any dissatisfaction should be considered a consumer problem, "whether communicated or not."

Consumer Complaint - Consumer complaints consist of all oral (telephone as well as personal visit) and written expressions of dissatisfaction about the purchase and use of products and services in the marketplace and/or government supplied services and benefits (TARP, 1979).

Problem Resolution - The dissolving of the tension caused by the dissatisfaction by getting redress.

Redress - Redress for a problem means that either the problem gets corrected or that the person who experienced the problem gets some compensation.

Compensation - Compensation is a specified redress for an experienced problem. It provides either an equivalent replacement for the problem good or service, or a suitable payment.

CHAPTER II

REVIEW OF LITERATURE

Awareness of Consumer Problems

When consumer complaints to manufacturers, retailers, and third-party complaint handlers were reviewed, it was evident that in most cases consumers (1) were aware of the problems they experienced; and (2) knew that there were ways to attempt to resolve those problems. Thirty-two percent of the national sample interviewed for the TARP (1979) study experienced one or more consumer problems during the year preceding the study. Furthermore, 69% of the households with problems submitted one or more complaints to different complaint handling parties in an effort to resolve their most serious problems.

The TARP study (1979) used a questionnaire as the basis of its survey. Although some of the problems might have been omitted because consumers were not questioned individually there was evidence that a high percentage of households experienced consumer problems. Further supporting this is the fact that the TARP data (1979) are congruent with the findings of H. Schutz, "California Consumers' Satisfaction with Goods and Services: Problems, Actions and Attitudes" (1979).

Consumer Satisfaction and Dissatisfaction. In order to examine consumer satisfaction and dissatisfaction (CS/D), it is necessary to establish how this concept will be used throughout this study. Despite

recent attempts to define this term, there is still no common understanding of CS/D. One important classification involves time limitations. In general, CS/D can occur either during or after a purchase (Fornell, 1976). Although it is recognized that CS/D is involved in the purchase process, this study will evaluate only CS/D following the purchase.

The concept of CS/D is expressed by Howard and Sheth (1969):

Satisfaction is defined as the buyer's cognitive state of being adequately or inadequately rewarded on a buying situation for the sacrifice he has undergone. The adequacy is a consequence of matching actual post purchase and consumption experience with the reward that was expected from the brand in terms of its anticipated potential to satisfy the motives served by the particular product class (p. 145).

CS/D is further explained by the expectancy confirmation/disconfirmation concept. Clabaugh (1979) gives a very thorough description of this concept, dividing the consumer's thought process in two levels:

- 1) expectational levels
- 2) perception or evaluation of outcomes.

Clabaugh (1979) explains:

If benefits received from a purchase are equal to expectations, confirmation occurs and satisfaction results. If benefits received are greater than those expected, positive disconfirmation occurs. Negative disconfirmation occurs when benefits received are less than expected (p. 47).

Fornell (1976) emphasizes that CS/D is more appropriately expressed as a relative rather than an absolute measure. Basing his research on the theoretical study of Anderson (1973), Fornell (1976) has developed an assimilation-contrast theory of CS/D. Regarding this theory, Fornell (1976) states:

If the discrepancy between expectation and product performance is slight, the consumer tends to adjust his perception

toward his expectations (assimilation); if there is a great disparity, the consumer tends to contrast the product evaluation to his expectancy (p. 63).

It seems clear that CS/D actually involves many different conditions which determine when and to what degree CS/D occurs. Because CS/D is so complex, recent research is still attempting to clarify all conditions and variables. In this study, the most common explanation of CS/D will be used: CS/D refers simply to the level of discrepancy between expectations and outcomes. As indicated earlier, Fornell's model (1979) does not limit CS/D to either the prepurchase, purchase, or postpurchase phase.

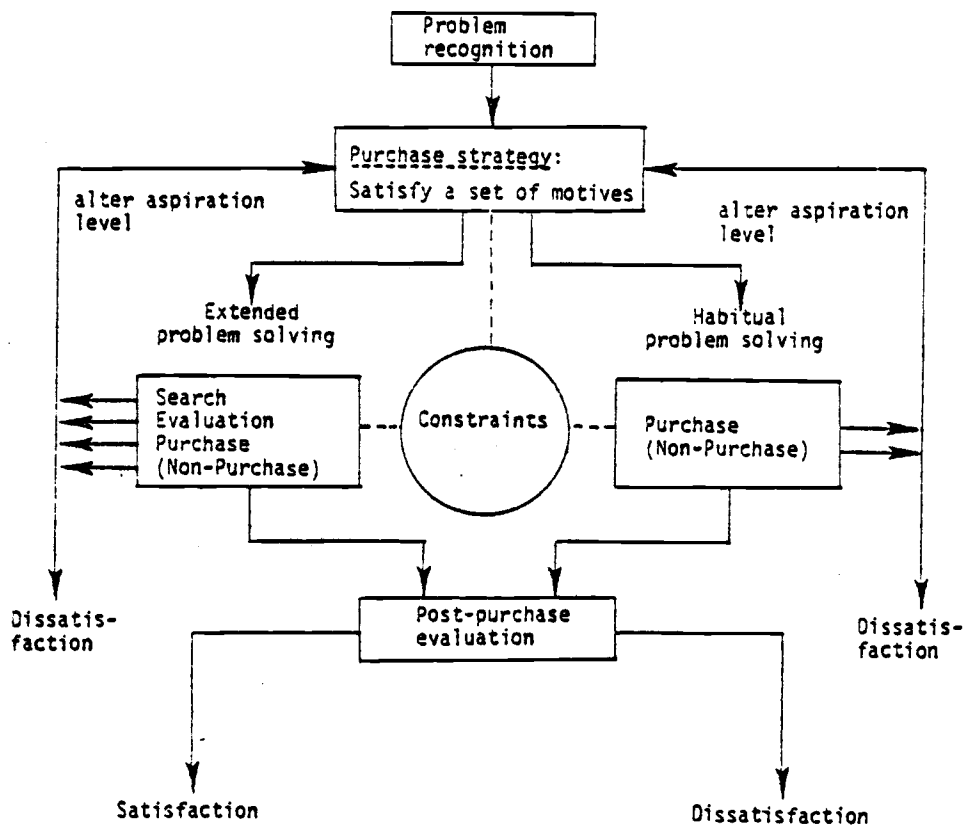


Figure 1

A Conceptual Model of Consumer Dissatisfaction

(Fornell, 1976, p. 61)

In Fornell's model (1979), the outcome of the prepurchase phase is strongly influenced by constraints. Furthermore, dissatisfaction in the prepurchase phase can only be experienced by the shopper, while the consumer can experience satisfaction or dissatisfaction only through consumption, which indicates a post purchase evaluation.

Voiced and Unvoiced Consumer Problems. What a consumer does once dissatisfaction occurs, is of interest to both business and other consumers (the public). Clabaugh (1979) states that dissatisfaction and complaining behavior are not highly correlated. This is supported by several other studies about complaining behavior in which the researchers demonstrate that not all consumers who experienced problems do complain (Clabaugh, 1979; Schutz, 1979; TARP, 1979). Clabaugh states, dissatisfaction is a necessary but insufficient condition for complaining behavior.

Before looking at the reasons why consumers may or may not voice their problems, it is necessary to review the options consumers have. Based on the review of several studies, three broad options can be identified (Barnes and Kelloway, 1979; Diener and Greyser, 1978; Clabaugh, 1979): 1) to do nothing; 2) to complain informally to friends; 3) to take public action, i.e., to complain to the manufacturer/retailer, or third party complaint handlers.

The first option is to do nothing. As mentioned earlier, the most recent studies in consumer complaint research provide evidence that a considerable number of consumers do not complain. The second option, complaining informally to friends, is an interesting phenomenon to which more consideration should be given. If a consumer complains

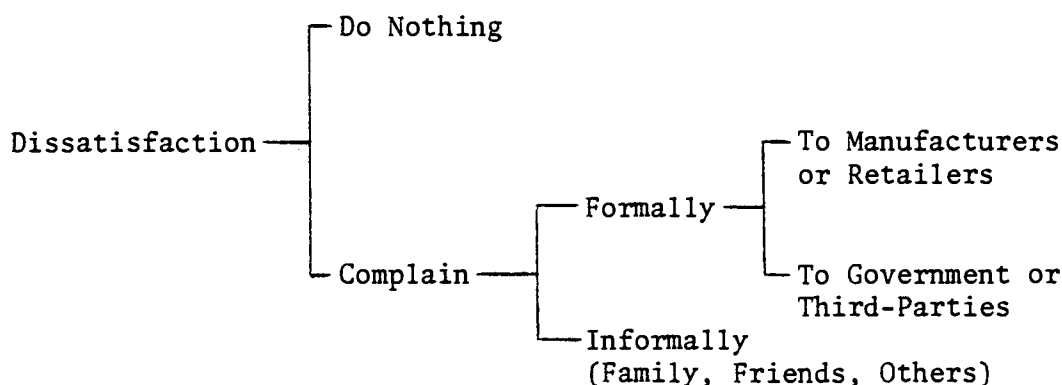


Figure 2

Dissatisfaction and Complaining Behavior
(Clabaugh, 1979; p. 48)

to friends it does not result in redress or compensation, but it might influence these friends to not purchase the problem good or service. This action might have more impact on business than the results of present research about consumer complaints shows.

The third mentioned option, complaining to the business directly, is chosen by most of the consumers who do take action (TARP, 1979; Schutz, 1979). Few choose to complain to third parties.

Researchers choose different approaches to explain these consumer decisions. Concerning complaining in general, Clabaugh (1979) states, "If consumers feel, through their experiences or from a company's reputation for handling complaints, that they will not gain satisfaction from complaining, they are not likely to complain." Another study, by Didow and Barksdale (1980), emphasizes the importance of the problem good or service as a determinant of voicing complaints.

Consumer complaining behavior is very complex and difficult to measure. Several attempts have been made to develop a theoretical

explanation of consumer complaining behavior. Of these, the most useful explanations are based on the theory of consumer choice. As Fornell and Didow (1979) point out, since the consumer has several ways to react to dissatisfaction, "... the study of consumer complaining behavior is a study of consumer choice". The economic theory of consumer choice assumes that a consumer has preferences, has alternatives, and acts to combine preferences with appropriate alternatives in a rational manner. Within this context, the rational consumer would prefer to receive compensation for an experienced problem and chooses among alternative complaint mechanisms the one most likely to provide compensation. Although the theory of consumer choice was developed for the prepurchase phase, this transition to the post-purchase evaluation can easily be made (Fornell and Didow, 1979).

The model of Day and Landon (1977) gives an overview of the alternatives available to a consumer. According to this model, the consumer's own preferences will determine to whom the complaint will be expressed. Such a preference might be influenced by previous positive experiences, by the complexity of the complaint handling process, or by the attitude towards the complaint handler.

Consumer Complaint Handling

Dissatisfied consumers can take action either by formal or informal complaining. The emphasis in this study is on the formal methods of complaining, i.e., complaints to the manufacturer or retailer of a good or service and complaints to third party complaint handlers.

The Complaint Handling Parties. The most popular formal complaint

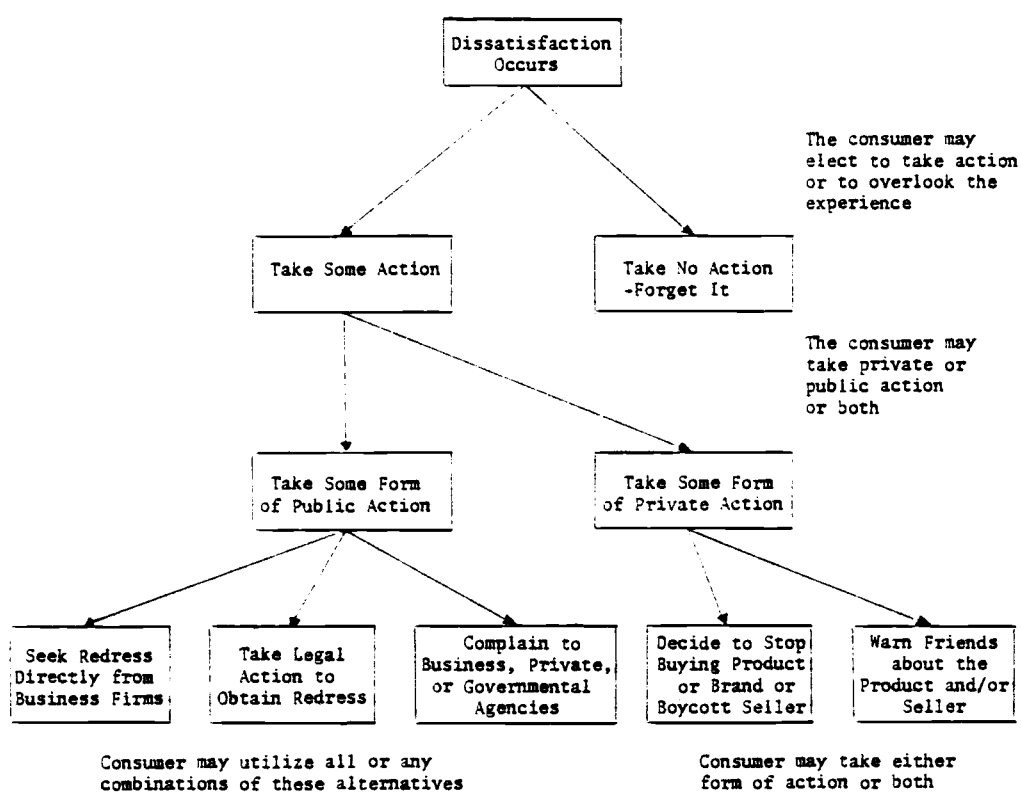


Figure 3

Overview of the Consumer's Alternatives When Dissatisfaction Occurs

(Day and Landon, 1977)

handling parties are:

- Retailers
- Manufacturers
- Better Business Bureaus
- Local and State Consumer Agencies
- Small Claims Courts

Most consumer complaint actions involve retailers (TARP, 1979; Schutz, 1979; Teel and Bearden, 1980; Warland, et. al., 1975). This is the easiest way to get redress because it is as accessible as the shopping location, and does not require writing a letter or filling out a form.

Manufacturers are more difficult to reach than retailers. A complaint to a manufacturer usually requires that a formal complaint be filed by either making a telephone call or writing a letter. This takes more effort than complaining to a retailer. Furthermore, contact with the manufacturer is more remote and therefore the expectations for getting redress are lower.

Public and private consumer protection agencies, such as the Oregon Consumer Services Division and the Better Business Bureau are examples of third party complaint handlers. These agencies either refer consumers to other agencies (which are specialized in the area of the complaint) or they file a complaint as an intervening party. Contacting a protection agency may require a greater effort than the problem is worth; consequently if the problem is not critical or if the expectancy for redress is not high, the consumer may not use third party complaint handling.

The Complaint Handling Process. When a consumer complains to a

retailer, the complaint handling process is relatively simple. The consumer either talks to the business or writes to them about the problem. The answer the complainant receives is the problem resolution, which will be perceived as either satisfactory or unsatisfactory.

Because complaint handling via a third party is more complex, the complaint handling process of consumer agencies needs further explanation. The steps followed by the Oregon Consumer Services Division (OCSD) will be used as an example. When a consumer contacts the OCSD, the person handling the complaint will assess whether or not there is any other agency which could handle the problem more appropriately. If that is the case, the consumer will receive a letter indicating another agency as more appropriate for this complaint. If the OCSD decides that there is no other suitable agency, the following complaint handling process will be initiated:

- 1) The consumer makes a complaint to the OCSD.
- 2) The consumer is advised to contact the relevant business, manufacturer or retailer before complaint handling will be started by the OCSD.
- 3) If the consumer does not receive a satisfactory response from the business, the OCSD initiates the complaint handling process.
- 4) The consumer is given a complaint form from the OCSD. This must be completed in order for the OCSD to have information about the problem. Consumers must also submit copies of important documents.
- 5) The OCSD sends an initial letter to the business to report the problem. At that time, the consumer is notified by the OCSD that the complaint has been reported.

- 6) The business is given 14 business days to answer. The OCSD will forward the answer to the complainer. If the complainer accepts the business' proposed solution, the case will be closed for the OCSD.
- 7) If the business does not respond or the complainer does not accept the proposed solution, a second letter is sent. The consumer is notified that a second contact has been made.
- 8) If the business still does not respond, the case is closed by the OCSD because the agency has no further recourse.

If the consumer is still interested, there is the possibility of filing a complaint with the Small Claims Court. But for the OCSD the case is closed because it cannot take legal steps. The only further action the agency can take is to publish the name of the business in the OCSD Newsletter as an "unresponsive business."

Effectiveness of Complaint Handling. A discussion of consumer complaint handling of necessity includes an assessment of the effectiveness of the complaint handling process. Effectiveness is generally defined as "the quality of producing an expected, decided, or desired effect" (Webster's New Dictionary, 1975). It is assumed that a consumer expects a satisfactory outcome from the problem resolution process. The degree to which this expectation is met determines the effectiveness of the complaint handling process. As a consequence, effectiveness and the satisfaction with it are closely related.

The most exhaustive information about complaint handling effectiveness is provided by the TARP study (1979). TARP (1979) identifies three different components of effectiveness:

- 1) process effectiveness,
- 2) outcome effectiveness, and
- 3) cost effectiveness.

Process effectiveness refers to the performance of such complaint handling practices as the reception of complaints, their screening and logging, and the referral process. These practices must be well organized if there is to be an efficient complaint handling process.

Outcome effectiveness is measured in terms of the degree to which complaint handling objectives are met. Four basic sets of evaluation criteria are used to determine outcome effectiveness (TARP, 1979):

- 1) Timeliness of response,
- 2) Percentage of "satisfactorily" resolved complaints,
- 3) Degree to which the root causes of consumer problems are identified and corrected, and
- 4) Impact of response on complaint handler's image.

The last component of effectiveness is cost effectiveness. The calculation of the proper balance between the cost of problem handling and the effectiveness of problem handling is understood as cost effectiveness analysis. Cost effectiveness can be measured by relating costs to outcome measures, as, for example, cost per satisfactorily resolved problem.

The degree to which a consumer is satisfied with the problem resolution can act as feedback to the complaint handler, and can thus contribute to the measurement of the effectiveness of the complaint handling process. This kind of evaluation was undertaken by Ittig (1978), although with a somewhat different method. Ittig (1978)

evaluated the Better Business Bureau and the Small Claims Court in Erie County, New York, to assess the effectiveness of their complaint handling process. Rather than developing a theoretical framework like TARP (1979), Ittig (1978) measured effectiveness by:

- 1) the percentage of satisfactory problem resolutions,
- 2) the dollar amount claimed and awarded (only for Small Claims Court),
- 3) the accessibility of the complaint handling party, and
- 4) the consumer evaluation of the complaint handling process.

Using those measurements, Ittig (1978) assessed consumer dissatisfaction with problem handling. Complainants reported being dissatisfied because of:

- 1) an unfavorable resolution,
- 2) length of time for processing the complaint, and
- 3) a dissatisfactory award.

Toward a Model of Consumer Satisfaction with Complaint Handling

The importance of developing processes for satisfactory resolution of consumer complaints is recognized by business as well as by consumer activists. Although in the recent research different attempts were made to get data about consumer satisfaction with redress alternatives (Ittig, 1978; Schutz, 1979; TARP, 1979) no framework, model, or theory of consumer satisfaction with complaint handling as been developed. Therefore, a major goal of this study is to develop a theoretical model in order to facilitate the evaluation of the consumer attitude survey, upon which this study is based.

The Awareness of Consumer Recourse and the Attitudes Toward

Complaint Handling. A consumer who experienced a problem with the purchase or use of a good or service is likely to request redress (TARP, 1979; Schutz, 1979). But to do so consumers must be aware of both the possibility of complaining and the possible recourse channels. Dickinson (1980), who identifies different components of consumer awareness, including the cognizance and use of appropriate channels of consumer recourse, states that:

When dissatisfaction occurs consumers need to know what redress is available and where to go to activate procedures to gain that redress (i.e., the channels of recourse available to them). Individuals do vary in their level of awareness of available product information, of laws which protect consumers, and of channels of recourse (p. 4).

According to findings in the TARP study (1979) over 90% of the dissatisfied consumers went to the retailer and manufacturer to get redress. In H. Schutz' study the results were different, but still 50% of the consumers complained to the seller and manufacturer, while only 4.5% complained to third party complaint handlers. Neither study reported whether or not those were first contacts or whether consumers complained to third parties only after they could not get redress from the seller or manufacturer.

Haefner and Leckenby (1975) provide information about the results from a study which included a sample of 203 randomly selected adults in Champaign-Urbana, Illinois. The researchers distinguished between the

- 1) percent of respondents indicating awareness of agency and
- 2) percent of respondents indicating some understanding of
how the agency protects or assists consumers.

The following agencies were listed:

Small Claims Court,
National Consumer Safety Commission,
Better Business Bureau,
Consumer Protection Bureau of the State's Attorney General's
Office (Illinois),
National Advertising Review Board.

Of the 203 respondents, 97% indicated awareness of the Better Business Bureau (BBB), while 62% indicated some knowledge of how this bureau might help. The agency with the next highest recognition (42%) was the Small Claims Court. These findings were supported by the results of King (1976). Here the BBB was the most familiar agency for 93% of the respondents. Fifty-eight percent were at least somewhat familiar with the work of the Office of Consumer Affairs; 54% with a local Consumer Protection Agency; and 52% with the Center for Study of Responsive Law.

One way to gather information about the attitude of consumers towards the complaint handling is to compare the awareness of complaint handling agencies with their actual use. Ninety-seven percent of the respondents in the Haefner and Leckenby study (1975) were reported to be aware of the BBB, but in the study reported by Schutz (1979) only 1.1% of all complaint actions of dissatisfied consumers were directed to this agency, and King (1976) included a report that 2.4% of the subjects used the BBB as the first contacted assistance in correcting a problem. The Office of Consumer Affairs, which was reported to be known by 58% (King, 1976), was used by 0.5% of the consumers seeking

problem resolution and by 1.3% of the respondents on the Schutz study (1979).

These data are evidence that the awareness of a consumer protection agency does not automatically mean that consumers will use it for complaint handling. Furthermore the attitude towards the complaint handling process might be influenced by the consumers' expectations concerning satisfactory resolution of the problems. In the study reported by Haefner and Leckenby (1975), the subjects were also asked to rate the effectiveness of agencies. On a scale between one and six, the Consumer Protection Bureau of the State's Attorney General's Office (Illinois) was considered to be most effective. The BBB was rated only 3.45 on the scale, and Small Claims Court 3.36. The low effectiveness ratings were interpreted as low expectancy of satisfaction ratings.

An attitude towards complaint handling can also be inferred from data about dissatisfied consumers who did not take any action. The TARP study (1979) reports that 55.6% of the respondents did not take action because they considered it as not being worth their time or effort to complain, while 13.5% did not know where to go and 21.1% believed no one would be concerned about their problem. These data also include a report of expectancy of satisfaction in complaint handling.

Consumer Satisfaction and Dissatisfaction with Complaint Handling.

Consumer satisfaction and dissatisfaction with complaint handling in this study is based on the general concept of consumer satisfaction and dissatisfaction (CS/D). This concept was described on pages 7-9 as referring to the level of discrepancy between expectations and outcomes. In general, discussions of CS/D focus on the purchase process and the

purchase phase. It is also possible, however, to treat the complaint handling process similarly to the purchase or use of a product or service. Since consumers have certain expectancies about the complaint handling process they chose, and since those expectancies are either met or not met, the result will be either satisfaction or dissatisfaction with the problem handling. Results about consumer satisfaction with problem handling are reported in the TARP study (1979):

- 1) 41.1% of households who took action to resolve their most serious problem were not at all satisfied with the resolution;
- 2) 12.8% were not completely satisfied, but did get something;
- 3) 20.1% were not completely satisfied, but the solution was acceptable;
- 4) 21.4% were completely satisfied; and
- 5) 1.1% received more than they asked for.

The usefulness of these results is limited because TARP (1979) does not indicate which complaint handling party was satisfactory. Neither were reasons for the dissatisfaction reported.

The Model of Consumer Satisfaction with Complaint Handling as a Framework for the Evaluation of the Attitude Survey. Based on the expectancy confirmation/disconfirmation concept, the different determinants of consumer complaint actions need to be investigated. The Howard-Sheth-Model of Buying Behavior (Loudon and Della Bitta, 1979), Fornell's Conceptual Model of Consumer Dissatisfaction (Fornell, 1976), and Clabaugh's Model of Consumer's Complaint Voicing (Clabaugh, 1979), serve as theoretical foundations. Those models and the CS/D concept can be combined to produce the structure, shown in Figure 4.

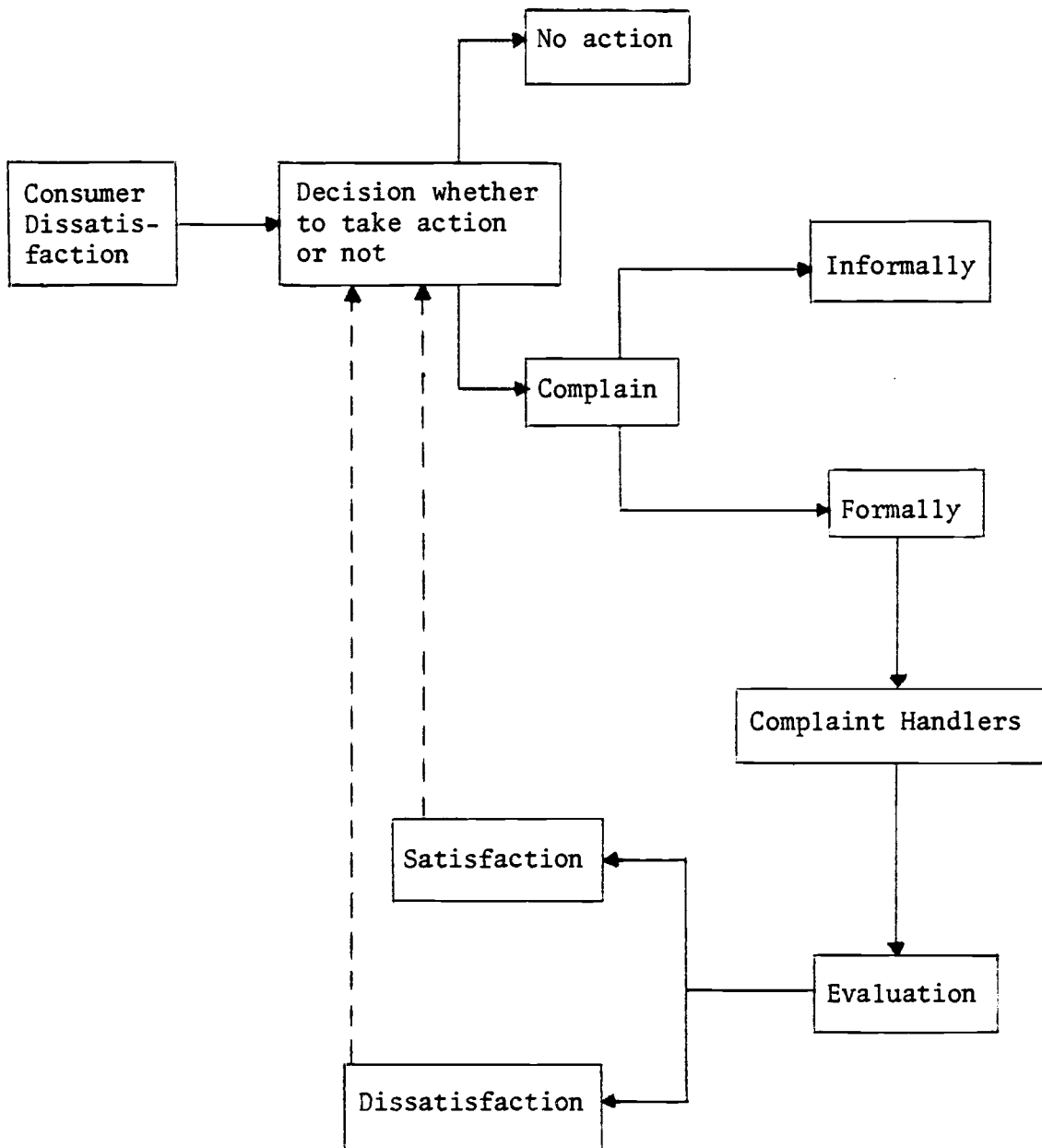


Figure 4

Basic Model for the Complaint Handling Process

The model begins with a state of consumer dissatisfaction. Dissatisfaction was determined as a necessary but insufficient condition for complaining (Clabaugh, 1979); therefore, a consumer must decide whether or not to take action. If the consumer decides to complain, there are two basic alternatives:

- 1) to complain informally (to friends, relatives, etc.), or
- 2) to complain formally to complaint handlers.

Since this study is investigating formal complaint handling, this special model will not follow the informal complaint handling any further.

When the final complaint handling process is complete the complainant evaluates the outcome and experiences either satisfaction or dissatisfaction. The satisfaction and the dissatisfaction will provide feedback to other decisions on complaint handling.

The basic model was expanded to a detailed model for the purposes of this study (Figure 5). Specific complaint handlers are identified as: a = manufacturer, b = retailer, c = Better Business Bureau, d = State agencies, e = local agencies, f = Small Claims Court, g = others. Three successive contact possibilities are indicated because the OCSD consumer attitude survey provided space for respondents to record three contacts. That procedure was also followed in previous research (King, 1976). Actually the number of contacts indicated in the model could either be extended or limited if further research provides evidence that complainers usually make more or less than three contacts.

In the extended model a series of independent variables are introduced. These variables are assumed to influence the decision whether

or not to take action, and satisfaction with complaint handling.

The independent variables included in the model were specified as possible responses on the OCSD questionnaire. The variables identified as influencing the decision whether or not to take action are¹:

- 1) the judgement of whether or not it is worth the time or effort;
- 2) the knowledge of where to go or what to do; and
- 3) the feeling that nobody would be concerned about this problem.

Additional independent variables are assumed to influence the decision whether or not to take action, the method of complaining, and the overall evaluation of the complaint handling process. These additional independent variables are:

- 4) party responsible for the problem;
- 5) the type of problem; and
- 6) - 10) the demographic characteristics of the complainants.

The evaluation of the complaint handling process is further influenced by:

- 11) the cost of correcting the problem; and
- 12) the time-loss caused by the problem.

The model, then, presents a framework for the analysis of consumer complaint behavior. Additionally, it also serves as a summary of the interactions between consumer complaint behavior and the independent and intervening variables identified in the literature.

¹See Extended Model for the Complaint Handling Process (Figure 5, p. 26).

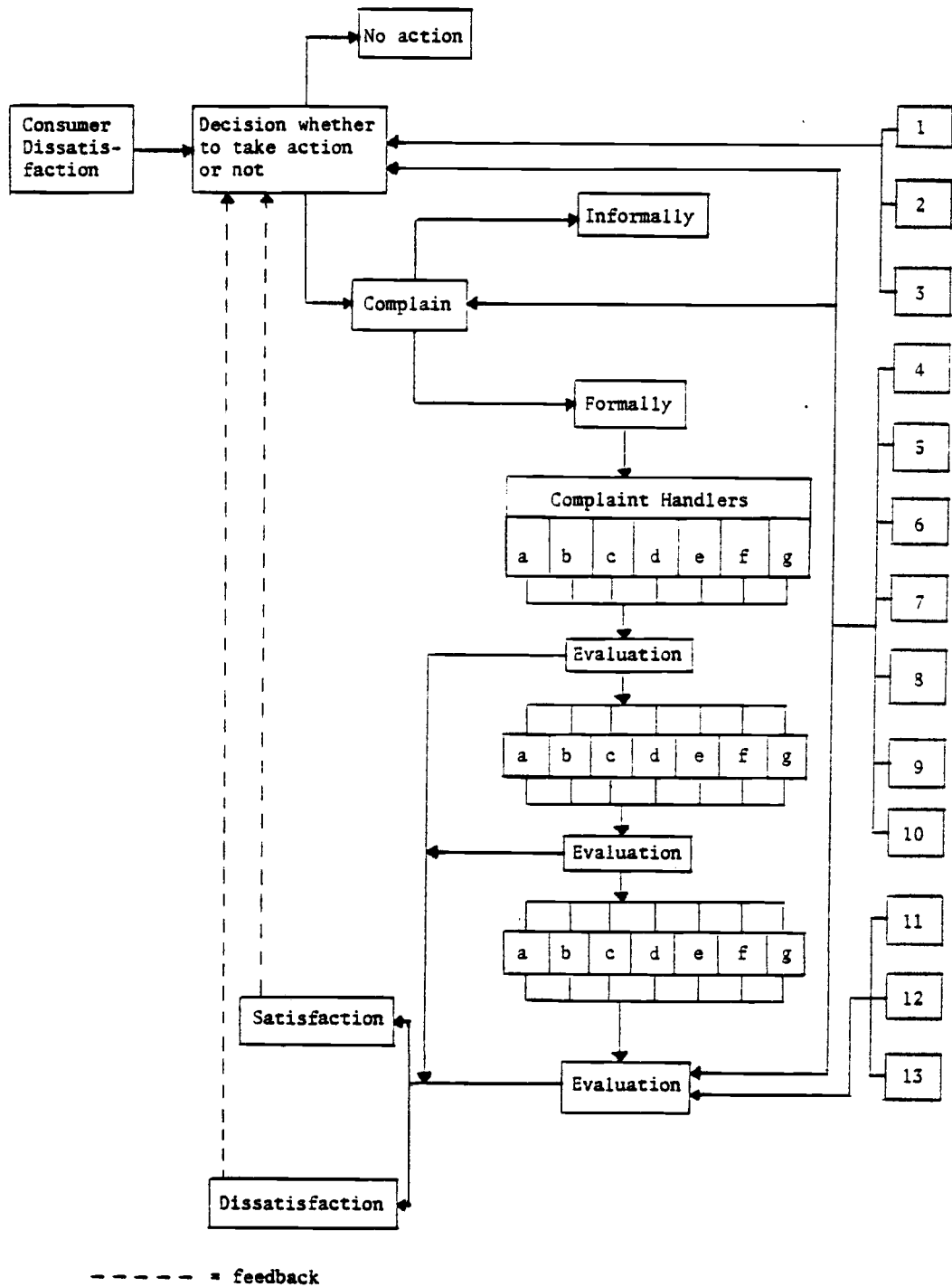


Figure 5

Extended Model for the Complaint Handling Process

Key for the Model (Figure 5)

- 1 = Opinion that no one would be concerned or interested in helping
- 2 = Worthiness of time or effort
- 3 = Knowledge about where to go or what to do
- 4 = Party responsible for the problem
- 5 = Type of problem
- 6 = Age
- 7 = Marital Status
- 8 = Sex
- 9 = Education
- 10 = Income
- 11 = Cost of problem correction
- 12 = Number of contacts
- 13 = Time-loss

- a = Manufacturer
- b = Retailer
- c = BBB (Better Business Bureau)
- d = State agencies
- e = Local agencies
- f = Small Claims Court
- g = Others

CHAPTER III

METHODOLOGY

A questionnaire was developed by the Oregon Consumer Services Division to obtain data about consumer attitudes in Oregon. The collection of the data began in January 1980 and was completed by the end of February 1980. The report of the findings, which was published in October 1980, included frequencies and some crosstabulation data. This publication ("Profile of the Oregon Consumer," 1980), as well as the raw data in the form of a computer card deck, were used for statistical evaluation in this study.

Description of the Instrument

The Oregon Consumer Services Division developed the questionnaire by surveying questionnaires used in previous studies (i.e., the TARP study for the U.S. Office of Consumer Affairs (1979), entitled "Consumer Problems and Complaints: A National View," and the California Department of Consumer Affairs' Consumer Attitude Study, conducted by Howard Schutz (1979) at the University of California at Davis). The Oregon Consumer Attitude questionnaire is most similar to the California study. A copy of the Oregon questionnaire is included in the Appendix.

Sample Selection and Procedures for Data Collection

A representative sample of 1,000 names of consumers in Oregon was

drawn by using copies of all current Oregon phone directories and a table of random numbers. Questionnaires were sent to those selected, and the following procedure was used:

- 1) Pre-survey postcard sent to all participants, January 14, 1980;
- 2) First questionnaire mailed, January 18, 1980;
- 3) Follow-up postcards sent to all participants, January 24, 1980;
- 4) Second questionnaire mailed to non-respondents, February 14, 1980;
- 5) Third questionnaire mailed to non-respondents (certified mail), February 26, 1980.

All mailed questionnaires were accompanied by a letter explaining the purpose of the survey. Depending on the number of the questionnaire, the letter asked for a response from the male household head (even numbered questionnaires) or from the female household head (odd numbered questionnaires). As questionnaires were returned, the names on the mailing list were marked with an appropriate code indicating the respondent's status (Oregon Consumer Attitude Survey, 1980). Of 1,000 questionnaires mailed, 658 were completed and returned; 185 were not returned; 123 were returned marked "undeliverable, no forwarding address;" and 34 were returned because the intended recipient was deceased.

Statistical Analysis

Completed questionnaires were coded by the research analyst at the OCSD and coded responses were punched on computer cards. This card deck was duplicated and used as the source of data to be analyzed for this study.

The statistical analysis for this study was completed at the Milne Computer Center, Oregon State University. Computer programs for crosstabulation and the chi square test for independence were run on the Cyber Computer. That the chi square test for independence was an appropriate statistical tool to use for this study was confirmed by the results, which provided evidence that a stronger statistical analysis would not be cost-effective. The chi square value is a relatively weak measurement, one which can cause even slight relationships to appear significant. Since analysis of the data of the Oregon Consumer Attitude Survey identified only a few highly significant dependencies, it was decided not to employ a more stringent statistical tool, despite the fact that regression analysis had originally been thought necessary. One trial regression analysis was run using the Log-Linear Model from the Biomedical Computer Programs, P-Series (1977). The results of the analysis confirmed the assumption that there were insufficient significant data to warrant the use of a stronger statistical tool.

CHAPTER IV

FINDINGS

Validity of the Data

The OCSD employed a validation procedure to determine whether or not the data from the Consumer Attitude Survey could be considered representative of the State of Oregon (OCSD, 1980). To do so, the OCSD compared demographic data from the state population with similar data from the questionnaires. The population data were provided by the Employment Division, Oregon State Department of Human Resources, represented by Tom Lynch and Earl Fairbanks.

The validation procedure employed the applied statistical method of the Chi Square "Goodness of Fit" Test. The Chi Square does not prove that the sample data are representative; rather it provides a basis for rejecting the hypothesis that the data are representative. (A high Chi Square for a characteristic could indicate for example, that a systematic bias exists, rather than a sampling error.) The validation procedure provided evidence that, with a few exceptions, the sample reflects the Oregon consumer population. One exception concerns the educational background of the respondents, which does not represent the general population accurately, since those with 8 or fewer years of education were under-represented. Another discrepancy, this time involving levels of education (9-12 and 13-15 years) was assumed to be caused mainly by the questionnaire's design, which did not allow for

survey data to be compared directly with population data.

Sample Characteristics

The identified independent variables included in the extended model of consumer complaint handling behavior are used here to describe the sample. In reporting the frequencies which were tabulated for answers to questions on the instrument, the descriptors "absolute frequency" and "adjusted frequency" are used. The absolute frequency represents the total number of responses to a question. The adjusted frequency is the percent of the total number of responses to a question which were tabulated for a specific response category.

The median age of the respondents was 43 and the mean age 47. The age range of the Oregon consumers is presented in Table 1.

Table 1
Age of Respondents

Age of the Respondents	Absolute Frequency	Adjusted Frequency %
14 to 24 years	33	5.2
25 to 34 years	174	27.4
35 to 44 years	118	18.5
45 to 54 years	84	13.2
55 to 64 years	104	16.4
65 and older	123	19.3
Total	636	100.0

The majority of the respondents were married (471 respondents). Only 62 respondents (9.6%) had never been married (Table 2).

Table 2

Marital Status of the Survey Respondents

Marital Status	Absolute Frequency	Adjusted Frequency %
Married	471	73.0
Never Married	62	9.6
Widowed	54	8.4
Divorced	53	8.2
Separated	5	0.8
Total	645	100.0

Although equal numbers of questionnaires were sent to males and females, 327 males (51.1% of the respondents) answered the questionnaires, while only 313 females (48.9% of the respondents) responded.

As indicated earlier, the educational background does not reflect the educational background of the general population. Table 3 shows the educational background data of the sample.

Table 3

Educational Background of the Survey Respondents

Educational Level	Absolute Frequency	Adjusted Frequency %
8 grades or less	40	6.4
High School Graduate	197	31.3
Some College	225	35.8
College Graduate	93	14.8
Graduate School	74	11.7
Total	629	100.0

Respondents were asked to indicate the income category which represented the annual income for their family. Six income categories were provided. The \$15,000 - \$29,999 category had the largest number of respondents (252) and the majority of respondents reported incomes of \$15,000 or over (Table 4).

More information about demographic characteristics of Oregon consumers can be obtained from the Oregon Consumer Services Division (OCSD, 1980).

Subjects were asked to name the most serious problem they had experienced in the past year (called "type of problem"). The OCSD report grouped reported problems in six classifications: Auto, House, Recreation, Health, Clothing/Personal Care, and Groceries. The problem classifications are further defined in Table 5.

Of the respondents who indicated that they had experienced serious problems, 24.5% cited the place where the product was purchased as

Table 4
Annual Income per Household

Annual Income \$	Absolute Frequency	Adjusted Frequency %
Under 4,000	35	5.6
4,000 - 7,999	51	8.2
8,000 - 10,999	78	12.5
11,000 - 14,999	103	16.5
15,000 - 29,999	252	40.5
30,000 and over	104	16.7
Total	623	100.0

responsible; 30.1% cited the place where the item was serviced; and 33.9% cited the manufacturer. Only 2.6% of the respondents judged themselves to be responsible for the problem, while Government was named as responsible for the problem by 8.5% (Table 6).

Of all respondents, 70.5% indicated that they did take some action to solve their most serious consumer problem, while of the 112 respondents who chose not to complain, 34.1% did not think that it was worth the time or effort to get the problem corrected, 19.7% did not know where to go or what to do, while 15.9% thought nobody would be interested in the problem. About one third had other reasons (Table 7).

The respondents who took action were asked to indicate the cost required to resolve their problem. Over half, or 186 respondents, reported no costs, while 63 respondents reported expenditures under \$50.

Table 5
Most Frequent Problem Groups

Problem Group	Absolute Frequency	Adjusted Frequency %
Auto - including: automobile new; automobile used; auto parts/ accessories; Auto insurance	146	32.5
House - including: carpeting/floor covering; drapes/wall covering; furniture; home improvement repairs; home/apartment rental; housing/real estate; insulation; household appliances; mobile home; utilities; wood stoves.	108	24.1
Recreation - including: books and magazines; film developing; photographic equipment; records/ tapes; sporting goods; stereo equipment/tape recorder; toys; travel.	55	12.2
Health - including: dentist; drugs; eyeglasses/contact lenses; hearing aid; health insurance; physician.	43	9.6
Clothing/Personal Care - including: beauty/barber shops; clothing/ footwear; cosmetics/toiletries.	20	4.5
Groceries	20	4.5
Others	57	12.6
Total	449	100.0

Table 6

Parties Responsible for the Consumer Problems

Party responsible for the problem	Absolute Frequency	Adjusted Frequency %
Place bought	112	24.5
Place serviced	138	30.1
Manufacturer	155	33.9
Self	12	2.6
Government	39	8.5
Media	2	0.4
Total	458	100.0

Table 7

Reasons for not Taking Action

Reasons	Absolute Frequency	Adjusted Frequency %
Wasn't worth the time or effort	45	34.1
Didn't know where to go or what to do	26	19.7
Concern that nobody would be interested in that problem	21	15.9
Other reasons	40	30.3
Total	112	100.0

Twenty-three respondents spent between \$50 and \$100 to resolve their problem, and 86 respondents spent over \$100 (Table 8).

Table 8
Cost of Problem Correction

Costs in \$	Absolute Frequency	Adjusted Frequency %
No costs	186	54.5
Under \$50	63	17.0
\$50 to \$100	23	6.2
Over \$100	86	22.3
Total	358	100.0

The respondents who took some action to solve their problem were asked to list the number of contacts required to resolve their problem. Most of the subjects who took some action (43.4%) made one contact, although 27.7% made two contacts, and 29% made three contacts (Table 9).

Table 9
Number of Contacts Made to Get the Problem Solved

Number of Contacts	Absolute Frequency	Adjusted Frequency %
One contact	136	43.3
Two contacts	87	27.7
Three contacts	91	29.0
Total	314	100.0

The subjects were also asked to state whether they lost time from work, school or other activities because of the problem they experienced. The majority of those experiencing problems (61.7%) reported that they had lost time, while 38.3% reported that they had not lost time. The time-loss was not quantified.

In response to a question about satisfaction with the complaint handling in general, 101 of the respondents (30.4%) indicated they were "not at all satisfied." Sixty (18%) were not completely satisfied, but did get something; 83 (24.9%) found the solution acceptable but were not completely satisfied; 53 (15.9%) were completely satisfied; and 36 (10.8%) reported that they had received more than they asked for (Table 10).

Table 10

General Satisfaction with the Problem Correction

Satisfaction	Absolute Frequency	Adjusted Frequency %
Not at all satisfied	101	30.4
Not completely satisfied, but did get something	60	18.0
Not completely satisfied, but solution acceptable	83	24.9
Completely satisfied	53	15.9
Received more than asked for	36	10.8
Total	333	100.0

The frequencies discussed in this section provide a basis for further statistical research. They also give an initial idea of some of the characteristics of consumers, particularly their attitudes toward problems and problem solving.

Hypothesis Testing

For further statistical evaluation purposes the research hypotheses, which were presented on pages 4 and 5 were converted to the null form. Here, each hypothesis is restated in null form and the results of the hypothesis testing reported.

Twenty-two null hypotheses were used to test 1) the dependence of the decision to complain or not to complain upon selected variables; 2) the dependence of the reasons not to complain on different variables; and 3) the dependence of satisfaction with the complaint handling process upon selected variables. Each of the null hypotheses was tested using the chi square test for independence. The level of significance was set at $p < .05$, indicating that there is a five percent chance that differences between the observed and expected frequencies are the result of sampling error. Of the 22 null hypotheses, six were rejected and 16 were retained.

$H_0^{1,1}$: The decision, to complain or not to complain, is independent of the party responsible for the problem

Five responsibility categories were identified: place where product was purchased, place serviced, manufacturer, self, and government. Of the 102 respondents who considered the place where the product was purchased as responsible for their most serious problem,

20 decided not to complain and 82 decided to complain. The place where the product was serviced counted as responsible party for 137 respondents. Of those 34 decided not to complain and 103 decided to complain. Most of the respondents (151) marked the manufacturer as responsible party, and 40 of those decided not to complain while 111 complained. Only 12 of the respondents thought themselves responsible and 6 of those did not complain while 6 complained. The government was considered as responsible party by 35 of the respondents. Of those, 17 decided not to complain and 18 decided to complain.

With a chi square value of 14.73 and 4 degrees of freedom ($p = .0053$) the null hypothesis was rejected ($p < .05$). The respondents were more likely to complain when the place where the product was purchased or the place where it was serviced was considered to be responsible for the most serious problem. The propensity not to complain was increased when the respondents considered themselves or the government responsible for the problem (Table 11).

$H_0^{1,2}$: The decision, to complain or not to complain is independent of the type of problem

Identified consumer problems were categorized according to problem type. For those consumers who decided to complain, 112 experienced auto related problems, 90 had house related problems, 34 had recreation related problems, 28 had health related problems, 11 had problems related to clothing and personal care, and 8 had grocery related problems. Of the 126 consumers who experienced problems but did not complain, 53 had auto related problems, 19 had house related problems, 20 had recreation related problems, 14 had problems related to health,

8 had problems related to clothing and personal care, and 12 had grocery related problems. The calculated chi square value was 19.5. With 5 degrees of freedom, $p = .0015$, the null hypothesis was rejected. The results of the chi square provide support for the research hypothesis that for this study the decision to complain or not is dependent on the type of problem. The respondents were more likely to complain when the problems were house-related, than when other problem categories were concerned. For groceries, the propensity was not to complain (Table 12).

Table 11

Decision to Complain or Not to Complain and Party Responsible
for the Problem: Observed and Expected Frequencies

Party Responsible	Yes Observed (Expected)	No Observed (Expected)	Row Total
Place where product was purchased	82 (75)	20 (27)	102
Place serviced	103 (100)	34 (37)	137
Manufacturer	111 (111)	40 (40)	151
Self	6 (9)	6 (3)	12
Government	18 (26)	17 (9)	35
Column Total	320	117	437

Chi square = 14.73; df = 4; $p = .0053$

Table 12

Decision Not to Take Action and Type of Problem: Observed and Expected Frequencies

	Auto		House		Recreation		Health		Clothing		Groceries		Row Total
	O ^a	E ^b	O	E	O	E	O	E	O	E	O	E	
Yes	112	114.20	90	75.42	34	37.36	28	29.07	11	13.15	8	13.84	283
No	53	50.80	19	33.58	20	16.64	14	12.93	8	5.85	12	6.16	126
Column Total	165		109		54		42		19		20		409

Chi Square = 19.52 with 5 degrees of freedom; $p = .0015$ ^a indicates observed frequencies^b indicates expected frequencies

$H_0^{1,3}$: The decision to complain or not to complain is independent of the age of the respondents

Six different age groups of respondents were identified. No respondents were under 20 years of age. Of the respondents between 20 and 30 years of age, 73 decided to take action, while 32 decided against it. In the range of 30 to 40 years of age, 93 decided to complain and 41 did not complain. Of the respondents who decided to complain, 55 were in the age groups of 40 to 50 years, while 17 of those decided not to complain. Of the respondents who were between 50 and 60 years, 45 decided to complain and 22 decided not to complain. In the group of the 60 to 70 year old respondents, 38 decided to complain while 18 did not complain; and of the respondents over 70 years old 22 complained while eight decided not to complain.

The null hypothesis was not rejected because a chi square value of 1.9 with 5 degrees of freedom has a p value of .83 ($p < .05$). In this study the age of the respondents does not influence the decision to complain or not to complain (Appendix II, Table I).

$H_0^{1,4}$: The decision to complain or not to complain is independent of the marital status of the respondents

For the marital status five different groups were identified, which are: married, divorced, never married, widowed, and separated. Of the respondents who decided to complain, 262 were married, 24 were divorced, 20 were never married, 15 were widowed, and 2 were separated. Of the respondents who decided not to complain, 96 were married, 15 were divorced, 19 were never married, eight were widowed, and two were separated. The chi square was 6.18. With 4 degrees of freedom, the level of significance was $p = .18$. Since probability was less than .05, the null hypothesis was not rejected. These results provide no signi-

ficant evidence that the marital status of a consumer influences the decision to take action or not to take action (Appendix II, Table II).

$H_0^{1,5}$: The decision to complain or not to complain is independent of the sex of the respondents

Of the 467 respondents who marked whether or not they decided to complain, 218 were female and 249 were male. Of the females, 67 did not take action to complain, while 69 of the male respondents did not complain. The decision to complain was reported for 151 females and for 180 males. The chi square value of 0.37 (degrees of freedom = 1, $p=.53$) was not significant ($p<.05$). There were no statistically significant results in this study which indicate that either men or women are more likely to complain (Appendix II, Table III).

$H_0^{1,6}$: The decision to complain or not to complain is independent of the education of the respondents

Those respondents who indicated whether or not they had filed a complaint reported having completed the following level of formal education: eight grades or less was reported for 13 of the respondents who decided to complain, while four of those did not decide to complain. Of 132 high school graduates, 92 indicated a complaint action, and 40 did not complain. Of the respondents who reported having some college education, 113 did not complain and 57 complained. Of the college graduates, 60 marked a complaint action, while 17 did not complain. Of the respondents who completed a graduate degree, 47 decided to complain, while 18 did not complain. The null hypothesis was not rejected because the chi square of 3.8 with 4 degrees of freedom and $p=.43$ was

not significant ($p < .05$). The results of the statistical test provide no evidence of a relationship between the decision to take action or not to take action, and the educational background of the respondents (Appendix II, Table IV).

$H_0^{1,7}$: The decision to complain or not to complain is independent of the income of the respondents

In this study six income categories were identified for the annual income of the households: under \$4,000; \$4,000 to 7,999; \$8,000 to 10,999; \$11,000 to 14,999; \$15,000 to 29,999; and \$30,000 and over. Of the respondents who decided to complain, eight had an income of \$4,000 or less; 21 reported an annual household income between \$4,000 and \$7,999; 38 of the respondents were in the category of \$8,000 to \$10,999; 52 were in the range of \$11,000 to \$14,999; 137 had between \$15,000 and \$29,999 a year; and 69 earned over \$30,000 a year. Of those respondents who decided not to complain, six reported an annual household income of less than \$4,000 a year; 10 reported earnings of between \$4,000 and \$7,999 a year; 18 were in the category of \$8,000 to \$10,999; 22 of the respondents had an annual household income of \$11,000 to \$14,999; 63 were in the category of \$15,000 to \$29,999 a year; and 16 earned over \$30,000.

The chi square of 6.56 with 5 degrees of freedom and $p = .25$ was not significant ($p < .05$). Therefore the null hypothesis was not rejected. Annual household income does not appear to be a factor in the choice to complain or not to complain, according to the statistical results of this study (Appendix II, Table V).

The calculation of the chi square values for the decision to complain

or not to complain provided evidence that the general hypothesis that the decision to complain or not to complain is dependent on demographic variables cannot be supported. The results of the statistical analysis for this study provide evidence supporting only two significant relationships: the decision to complain or not to complain is dependent

- 1) on the type of problem experienced by the consumer and is dependent
- 2) on the party responsible for the problem.

Analysis of the Reasons for not Complaining

$H_0^{2,1}$: The reasons for not complaining are independent of the party responsible for the problem

Parties responsible for the problem were identified as: place where the product was bought, place where serviced, manufacturer, self, and government. Of the respondents who did not complain and marked as reason, that it was not worth the time or effort, seven named the place where the product was purchased the responsible party, 13 the place where the product was serviced, 14 the manufacturer, two themselves and five the government. When the respondents indicated that they did not know where to go or what to do about their problem, eight considered the place where the product was purchased as responsible party, four the place where the product was serviced, seven the manufacturer, and three the government, but none considered themselves responsible. Of the respondents who had the opinion that nobody would be concerned about their problem, three identified the place where the product was purchased as responsible party, five the place where the product was serviced, seven the manufacturer, one indicated self as being responsible,

and four marked the government as responsible party.

A chi square value of 9.57 with 8 degrees of freedom and $p=.29$ was not statistically significant; therefore, the null hypothesis was not rejected. In this study no relationship could be identified between the reasons for complaining and party responsible for the problem (Appendix II, Table VI).

$H_0^{2,2}$: The reasons for not complaining are independent of the type of problem

The types of problem identified in this study were auto related problems, house related problems, recreation related problems, health related problems, clothing related problems, and groceries. Of those respondents who marked as reason that it was not worth the time or effort to complain, nine had auto related problems, six had house related problems, three had recreation related problems, four had health related problems, one had clothing related problems, and three had problems with groceries. Of the respondents who did not know where to go or what to do, five had auto related problems, three had house related problems, two had recreation related problems, two had health related problems, one had clothing related problems, and two had problems with groceries. Of the respondents who had the opinion that no one would be interested in their problem, three had auto related problems, two had house related problems, one had recreation related problems, four had health related problems, four had clothing related problems, and two had problems with groceries.

The chi square value was 7.05 with 10 degrees of freedom and $p=.64$ ($p<.05$). Therefore, the null hypothesis was not rejected. In the

results of this study there is no indication that the types of problem have a relationship with the reasons for not complaining (Appendix II, Table VII).

Analysis of Satisfaction with Complaint Resolution

The statistical significance of relationships between complainants' satisfaction with the complaint handling process and the independent variables was determined by the chi square test of independence. Each complainant indicated the degree to which he/she was satisfied with the complaint handling process by checking one of five possible responses to the question, "What happened as a result of the effort to have this most serious problem corrected?" Of the 333 respondents to this question 36 indicated that they "received more than they asked for," 53 marked "completely satisfied," and 83 indicated that they were "not completely satisfied, but found the solution acceptable." "Not completely satisfied but did get something" was marked by 60 of the respondents, and 101 indicated that they were "not at all satisfied."

$H_0^{3,1}$: Satisfaction with the complaint handling process is independent of the cost of the problem correction

Respondents were asked to indicate "how much, if anything did it cost to get the problem corrected?" The responses were categorized into three groups: the cost of the problem resolution was under \$50; the cost ranged between \$50 and \$100; and the cost to correct the problem was over \$100.

Of the 58 respondents who indicated that the cost was under \$50, 18 were not at all satisfied, six were not completely satisfied, 18

noted that the solution was acceptable, 14 were completely satisfied, and two got more than they asked for. Of the 21 respondents who indicated costs to be between \$50 to \$100, seven were not at all satisfied, six were not completely satisfied, four thought that the solution was acceptable, two were completely satisfied, and two got more than they asked for. When the cost of the problem resolution exceeded \$100 (76 respondents), 25 were not at all satisfied, 15 were not completely satisfied, 14 called the solution acceptable, nine were completely satisfied, and 13 got more than they asked for.

The chi square value of 15.26 with eight degrees of freedom and $p=.045$ was considered to be significant ($p<.05$). The results of this test provide support for the general research hypothesis that satisfaction with the complaint handling process is dependent upon the cost of the problem correction. When the cost of the problem correction was less than \$50, the trend was for respondents to be completely satisfied or considered the solution as acceptable. When the cost of the problem correction was \$50 to \$100 or over \$100, the respondents tended to be not at all satisfied or not completely satisfied. Another trend was for respondents to get more than they asked for, when the cost of the problem correction exceeded \$100 (Table 13).

$H_0^{3,2}$: Satisfaction with the complaint handling process is independent of the number of contacts

Respondents were requested to tell who was contacted for the help in correcting their most serious problem. One, two, or three contacts could be indicated. Of the respondents who indicated that they made only one contact, 34 were not at all satisfied, 33 were not completely

Table 13

Satisfaction with the Complaint Handling Process
and Cost of the Problem Correction

	Under \$50		\$50 to \$100		Over \$100		Row Total
	O ^a	E ^b	O	E	O	E	
Not at all satisfied	18	18.7	7	6.78	25	24.5	50
Not completely satisfied	6	10.1	6	3.65	15	13.25	27
Acceptable but not completely satisfied	18	13.47	4	4.88	14	17.65	36
Completely satisfied	14	9.36	2	3.38	9	12.26	25
More than asked for	2	6.36	2	2.3	13	8.34	17
Column Total	58		21		76		155

Chi square = 15.26 with 8 degrees of freedom; $p=.0543$

^a indicates observed frequencies

^b indicates expected frequencies

satisfied, 26 thought that the solution was acceptable, 25 were completely satisfied, and 11 got more than they asked for. Of the respondents who indicated that they made two contacts, 31 were not at all satisfied, 11 were not completely satisfied, 19 called the solution acceptable, eight were completely satisfied, while 10 got more than they asked for. Of those respondents who made three contacts, 25 were not at all satisfied, 15 were not completely satisfied, 25 thought that the solution was acceptable, 13 were completely satisfied, and 10 got more than they asked for.

The chi square of 11.85 with 8 degrees of freedom had a probability of $p=.15$. The hypothesis was not rejected because of the chosen significance level ($p<.05$). The results of this study provide no evidence of a relationship between satisfaction with the complaint handling process and the number of contacts made to get the problem solved (Appendix II, Table VIII).

Additionally, a statistical analysis was done to identify significant relationships between satisfaction with complaint handling and the number of contacts made with the helpfulness of the contacts controlled. The following null hypotheses were tested.

$H_0^{3,2a}$: The satisfaction with the complaint handling process is independent of the number of contacts, when controlled for the rating that the contact was not helpful at all

Of the 112 respondents who indicated that the contact was not helpful, and rated their satisfaction, 30 did not find the first contact helpful, 38 did not think the second contact was helpful, and 44 did not judge the third contact as helpful at all. Of those respondents who rated the

first contact as not helpful, 23 were not at all satisfied, one was not completely satisfied, two found the solution acceptable, one was completely satisfied, and three got more than they asked for. Of the respondents who indicated that they considered the second contact as not at all helpful, two were not at all satisfied, three were not completely satisfied, five thought the solution was acceptable, three were completely satisfied, and six got more than they asked for. Of the respondents who judged the third contact as not at all helpful, 12 were not at all satisfied, 10 were not completely satisfied, 11 called the solution acceptable, five were completely satisfied, and six got more than they asked for.

The null hypothesis was rejected with a significant chi square of 21.3 (8 degrees of freedom, $p=.0065$). These results provide evidence in this study that there is a relationship between the satisfaction and the number of contacts when the contact was considered not to be helpful at all. When the first contact was considered as not at all helpful, the respondents were more likely to be dissatisfied than when the third contact was not helpful (Table 14).

$H_0^{3,2b}$: The satisfaction with the complaint handling process is independent of the number of contacts when controlled for the rating that the contact was somewhat helpful

Of the respondents who marked their satisfaction with the complaint handling process and found that the contact they had made was somewhat helpful (113), 47 thought that the first contact was somewhat helpful. Thirty-five marked the second contact as somewhat helpful, and 31 considered the third contact as somewhat helpful. Of those who rated the

Table 14

Number of Contacts and Satisfaction, Controlled for the
Rating of the Contacts: Not at all Helpful

	1 Contact		2 Contacts		3 Contacts		Row Total
	O ^a	E ^b	O	E	O	E	
Not at all satisfied	23	15	21	19	12	22	56
Not completely satisfied	1	3.75	3	4.75	10	5.50	14
Acceptable but not completely satisfied	2	4.82	5	6.10	11	7.08	18
Completely satisfied	1	2.42	3	3.05	5	3.53	9
More than asked for	3	4.02	6	5.09	6	5.89	15
Column Total	30		38		44		112

Chi square = 21.25 with 8 degrees of freedom; $p=.0065$

^a indicates observed frequencies

^b indicates expected frequencies

first contact as somewhat helpful, six were not at all satisfied, 18 were not completely satisfied, 14 found the solution acceptable, six were completely satisfied, three got more than they asked for. Of the respondents who judged the second contact as somewhat helpful, five were not at all satisfied, seven were not completely satisfied, 14 thought that the solution was acceptable, five were completely satisfied, and four got more than they asked for. Of the respondents who rated the third contact as somewhat helpful, 11 were not at all satisfied, five were not completely satisfied, eight found the solution acceptable, four were completely satisfied, and three got more than they asked for.

The chi square value (11.7) was not statistically significant ($p < .05$) (with 8 degrees of freedom, $p = .16$). Therefore, the null hypothesis was not rejected. The results of this study provide evidence that there is no relationship between satisfaction with the complaint handling process and the number of contacts, when respondents considered the contact to be somewhat helpful (Table 15).

$H_0^{3,2c}$: The satisfaction with the complaint handling process is independent of the number of contacts when controlled for the rating that the contact was very helpful

A total of 64 respondents indicated that the contact they made was very helpful and also rated their satisfaction with the complaint handling process. Of the 47 respondents who indicated that the first contact was very helpful, five considered the second contact as very helpful, and 12 gave the third contact this rating. The respondents who judged the first contact as very helpful had the following satisfaction ratings: two were not at all satisfied, 13 were not completely satisfied, 10 called the solution acceptable, 18 were completely satisfied, and four

Table 15

Number of Contacts and Satisfaction, Controlled for the
Rating of the Contacts: Somewhat Helpful

	1 Contact		2 Contacts		3 Contacts		Row Total
	O ^a	E ^b	O	E	O	E	
Not at all satisfied	6	9.15	5	6.81	11	6.04	22
Not completely satisfied	18	12.48	7	9.29	5	8.23	30
Acceptable but not completely satisfied	14	14.97	14	11.15	8	9.88	36
Completely satisfied	6	6.24	5	4.65	4	4.11	15
More than asked for	3	4.16	4	3.10	3	2.74	10
Column Total	47		35		31		113

Chi square = 11.72 with 8 degrees of freedom; $p=.1639$

^a indicates observed frequencies

^b indicates expected frequencies

got more than they had asked for. Of those respondents who thought that the second contact was very helpful, four were not at all satisfied, and one was not completely satisfied. No respondents indicated a higher level of satisfaction. Of the respondents who marked the third contact as very helpful, two were not at all satisfied, five called the solution acceptable, four were completely satisfied, and one got more than was asked.

The chi square value of 29.6 with 8 degrees of freedom was statistically significant ($p=.0002$). Therefore, the null hypothesis was rejected. The data from this study provide evidence that there is a relationship between the number of contacts made to resolve a problem and the satisfaction with the complaint handling process when the contact was considered to be very helpful. When the first contact was very helpful, more respondents were satisfied with the resolution than when the second or third contact was considered as very helpful. Respondents were more likely to be dissatisfied when the second or third contact was considered helpful (Table 16).

$H_0^{3,3}$: Satisfaction with the complaint handling process is independent of the time loss caused by the problem

The respondents were requested to mark whether or not they lost time from work, school, or other activities in attempting to resolve the problem. Of 325 respondents, 146 indicated that they had lost time, while 179 of the respondents indicated that they did not have a time loss. For those who reported a time loss the satisfaction rating with the problem resolution was: 42 were not at all satisfied, 28 were not completely satisfied, 40 thought that the resolution was acceptable, 19

Table 16

Number of Contacts and Satisfaction, Controlled for the
Rating of the Contacts: Very Helpful

	1 Contact		2 Contacts		3 Contacts		Row Total
	O ^a	E ^b	O	E	O	E	
Not at all satisfied	2	5.88	4	0.62	2	1.50	8
Not completely satisfied	13	10.57	1	1.1	0	2.63	14
Acceptable but not completely satisfied	10	11.02	0	1.17	5	2.81	15
Completely satisfied	18	16.15	0	1.72	4	4.13	22
More than asked for	4	3.67	0	0.39	1	0.94	5
Column Total	47		5		12		64

Chi square = 29.62 with 8 degrees of freedom; $p=.0002$

^a indicates observed frequencies

^b indicates expected frequencies

were completely satisfied, 17 got more than they had asked for. Of those respondents who did not report a time loss, 57 were not at all satisfied, 32 were not completely satisfied, 40 found the solution acceptable, 32 were completely satisfied, and 18 got more than they asked for. The null hypothesis was not rejected ($\chi^2 = 2.5$ with 4 d.f., $p=.63$). The data from this study provide no evidence of a relationship between satisfaction with the complaint handling process and the time loss from work, school, or other activities because of the problem (Appendix II, Table IX).

$H_0^{3,4}$: Satisfaction with the complaint handling process is independent of the party responsible for the problem

The parties responsible for the problem were grouped as follows: place where product was purchased, place where serviced, manufacturer, self, and government. Of the 81 respondents who marked the place where the product was purchased as responsible party, 23 were not at all satisfied, 13 were not completely satisfied and seven got more than they asked for. Of the 98 respondents who indicated that the place where the product was serviced was responsible, 28 respondents were not at all satisfied, 20 were not completely satisfied, 22 called the solution acceptable, 14 were completely satisfied, and 14 got more than they asked for. Of the 110 respondents who considered the manufacturer as responsible, 30 were not at all satisfied, 21 were not completely satisfied, 25 thought that the solution was acceptable, 25 were completely satisfied, nine got more than they asked for. Of the six respondents who called themselves responsible, two were not at all satisfied, two were not completely satisfied, one considered the solution as acceptable, and one got more than was asked for. Nineteen considered the

government as responsible, and 13 of those were not at all satisfied, two were not completely satisfied, three thought that the solution was acceptable, and one got more than was asked.

The chi square value (26.7) with 16 degrees of freedom and $p=.045$ was significant ($p<.05$). The null hypothesis was rejected. When the government or the respondents themselves were considered to be responsible for the problem the respondents were less likely to be satisfied with the problem resolution, than when the place where the product was purchased, the place where the product was serviced, or the manufacturer were considered to be responsible for the problem (Table 17).

$H_0^{3,5}$: Satisfaction with the complaint handling process is independent of the type of problem

Six types of problems were identified in this study: auto related problems, house related problems, recreation related problems, health related problems, clothing related problems, and problems with groceries. Of the respondents who had auto related problems (109), 38 were not at all satisfied with the complaint handling process, 22 were not completely satisfied, 24 considered the solution as acceptable, 16 were completely satisfied, and nine got more than they asked for. Of those 88 respondents who had house related problems, 28 were not at all satisfied with the way their complaint was handled, 20 were not completely satisfied, 16 called the resolution acceptable, 14 were completely satisfied, and 10 got more than they had asked for. Thirty-six respondents had recreation related problems, and of those, 11 were not at all satisfied with the complaint handling process, nine were not completely satisfied, nine marked an acceptable resolution, three were completely satisfied,

Table 17

Satisfaction With the Complaint Handling Process and the
Party Responsible for the Problem

	Place where product purchased		Place where product serviced		Manufacturer		Self		Government		Row Total
	O ^a	E ^b	O	E	O	E	O	E	O	E	
Not at all satisfied	23	24.77	28	29.96	30	33.63	2	1.83	13	5.81	96
Not completely satisfied	13	14.96	20	18.10	21	20.32	2	1.11	2	3.51	58
Acceptable but not completely satisfied	28	20.38	22	24.66	25	27.68	1	1.57	3	4.78	79
Completely satisfied	10	12.64	14	15.29	25	17.16	0	0.94	0	2.96	49
More than asked for	7	8.25	14	9.99	9	11.21	1	0.61	1	1.94	32
Column Total	81		98		110		6		19		314

Chi square=26.72 with 16 degrees of freedom; $p=.0448$; ^a indicates observed frequencies; ^b indicates expected frequencies

and four got more than was asked. Health related problems were reported for 26 respondents, who rated their satisfaction with the complaint handling process. Ten were not at all satisfied, six were not completely satisfied, four got an acceptable resolution, four were completely satisfied, and two got more than they had asked. Of those respondents who had problems with clothing, six were not at all satisfied, one was not completely satisfied, three considered the solution as acceptable, and two were completely satisfied. Of the eight respondents who had grocery related problems, four were not at all satisfied, two were not completely satisfied, one was completely satisfied, and one got more than was asked for.

The chi square value was 9.66 with 20 degrees of freedom and $p=.96$. The null hypothesis was not rejected. The data of this study provide no evidence of a relationship between the type of problem and satisfaction with the complaint handling process (Appendix II, Table X).

$H_0^{3,6}$: The satisfaction with the complaint handling process is independent of the age of the respondents

Of the respondents, 318 recorded their satisfaction with the complaint handling process. In the age group between 20 and 30 years, 21 were not at all satisfied, 11 were not completely satisfied, 16 called the resolution acceptable, 11 were completely satisfied, and 10 got more than they asked for. In the range 30 to 40 years, 35 of the respondents were not at all satisfied, 19 were not completely satisfied, 19 found the solution acceptable, 11 were completely satisfied, and 10 got more than was asked. Of those respondents between 40 and 50 years, 17 were not at all satisfied, seven were not completely satisfied, 14 considered

the resolution as acceptable, 13 were completely satisfied, and four got more than they had asked for. In the age range between 50 and 60 years, eight of the respondents were not at all satisfied, 10 were not completely satisfied, 14 called the solution acceptable, six were completely satisfied, and five got more than was asked. Of the 60 to 70 year old respondents, 10 were not at all satisfied, nine were not completely satisfied, eight found the resolution acceptable, seven were completely satisfied, and four got more than they had asked for. Of the over 70 year old respondents, five were not at all satisfied, four were not completely satisfied, five considered the resolution to be acceptable, three were completely satisfied, and three got more than was asked.

The chi square value (13.6) with 20 degrees of freedom and $p=.84$ was not significant ($p<.05$). The null hypothesis was not rejected. The data of this study do not provide evidence of a relationship between the satisfaction of the complaint handling process and the age of the respondents (Appendix II, Table XI).

$H_0^{3,7}$: The satisfaction with the complaint handling process is independent of the marital status of the respondents

Of the respondents, 323 expressed their satisfaction with the complaint handling process and reported their marital status. Of those who were married (254), 79 were not at all satisfied, 47 were not completely satisfied, 58 called the resolution acceptable, 42 were completely satisfied, and 28 got more than they had asked for. Twenty-four of the respondents were divorced, and of those, eight were not at all satisfied, four were not completely satisfied, six found the solution acceptable, four were completely satisfied and two got more than was asked.

Of the 28 respondents who had never been married, six were not at all satisfied, six were not completely satisfied, 10 accepted the solution, two were completely satisfied, and four got more than they had asked for. Of the 15 widowed respondents, five were not at all satisfied, two were not completely satisfied, five found the solution acceptable, three were completely satisfied. Two of the respondents were reported as separated. One of those was not at all satisfied, and one got more than was asked.

The null hypothesis was retained because of an insignificant chi square value ($\chi^2 = 11.4$; with 16 d.f., $p=.78$). It can be stated that for this study there is no relationship between the satisfaction with the complaint handling process and the marital status of the respondents (Appendix II, Table XII).

$H_0^{3,8}$: The satisfaction with the complaint handling process is independent of the sex of the respondents

Of the respondents who indicated their satisfaction with the complaint handling process, 149 were female and 173 were male. Of the male respondents, 54 were not at all satisfied, 29 were not completely satisfied, 42 called the solution acceptable, 30 were completely satisfied, and 18 got more than they had asked for. Of the female respondents, 45 were not at all satisfied, 31 were not completely satisfied, 36 considered the solution as acceptable, 21 were completely satisfied, and 16 got more than they had asked for.

The chi square value was not significant ($\chi^2 = 1.2$; with 4 d.f., $p=.86$); therefore, the null hypothesis was not rejected. In this study there was no indication that a relationship exists between the satisfaction

with the problem handling and the sex of the respondents (Appendix II, Table XIII).

$H_0^{3,9}$: The satisfaction with the complaint handling process is independent of the education of the respondents

Five educational levels were distinguished: eighth grade or less, high school graduate, some college, college graduate, graduate school. Of the respondents who had completed the eighth grade or less, four were not at all satisfied, two were not completely satisfied, one was completely satisfied, and five got more than they had asked for. Of the high school graduates, 25 were not at all satisfied, 18 were not completely satisfied, 23 considered the solution as acceptable, 12 were completely satisfied, and 10 got more than they had asked for. Of those who reported having completed some college, 34 were not at all satisfied, 22 were not completely satisfied, 23 got an acceptable resolution, 20 were completely satisfied, and nine got more than they had asked for. Of the respondents who were college graduates, 22 were not at all satisfied, eight were not completely satisfied, 17 found the solution acceptable, nine were completely satisfied, and five got more than they had asked for. In the group of respondents who reported education at the graduate school level, 13 were not at all satisfied, seven were not completely satisfied, 15 considered the solution as acceptable and four got more than they had asked for.

Since the chi square value of 20.85 with 16 degrees of freedom and $p=.18$ was not statistically significant, the null hypothesis could not be rejected ($p<.05$). There were no statistically significant results in this study to support the hypothesis that the satisfaction with the

complaint handling process is dependent on the education of the respondents in this study (Appendix II, Table XIV).

$H_0^{3,10}$: The satisfaction with the complaint handling process is independent of the income of the respondents

In the six income groups identified, seven of the respondents reported an annual income of \$4,000 and less. Of those, one was not at all satisfied, one was not completely satisfied, one accepted the resolution, one was completely satisfied, and three got more than they had asked for. Of those respondents who reported an annual income of \$4,000 to \$7,999, four were not at all satisfied, four were not completely satisfied, eight considered the solution as acceptable, three were completely satisfied, and one got more than he/she had asked for. In the range between \$8,000 to \$10,999, 13 of the respondents were not satisfied, seven were not completely satisfied, 12 found the solution acceptable, one was completely satisfied, and three got more than they had asked for. Of the respondents in the income category between \$11,000 and \$14,999, 19 were not at all satisfied, 10 were not completely satisfied, nine considered the resolution to be acceptable, nine were completely satisfied, and seven got more than they had asked for. An annual income of \$15,000 to \$29,999 was reported for 132 respondents. Of those, 42 were not at all satisfied, 28 were not completely satisfied, 29 considered the resolution to be acceptable, 20 were completely satisfied, and 13 got more than they had asked for. Over \$30,000 annual income was reported for 68 respondents. Of those, 18 were not at all satisfied, 10 were not completely satisfied, 19 thought that the resolution was acceptable, 14 were completely satisfied, and seven got more than they had asked for.

The null hypothesis was not rejected because the chi square value was not statistically significant ($\chi^2 = 21.98$; with 20 d.f., $p=.34$). There was no indication of a relationship between satisfaction with the complaint handling process and the income level of the respondents (Appendix II, Table XV).

Summary

For this study the data from an Oregon survey of consumer attitudes were evaluated. The major objectives were to develop a model to show the relationships between the decision whether or not to complain and selected variables and to show the relationships between consumer satisfaction with the complaint handling process and selected variables.

A theoretical model to explain the complaint handling process with the individual's decisions and evaluations was developed. This theoretical model contains, in its extended form, the independent variables which were assumed to predict the decisions to complain or not to complain and the level of satisfaction with the complaint handling process.

For the statistical evaluation of the survey, 658 questionnaires, which were already coded and on a computer card deck, served as data input. Also, the Oregon Consumer Services Division (OCSO) had published frequencies data; therefore, crosstabulations and the chi square test for independence were run for further statistical evaluation. The 22 null hypotheses were statistically tested with the chi square test for independence. Six of those hypotheses were rejected and 16 were not rejected.

In this study there is evidence that the decision to complain or not to complain is dependent on two factors: the party which is

considered to be responsible for the problem, and the type of problem experienced.

Satisfaction with complaint handling was not dependent upon the number of contacts made in attempt to solve the problem. When this relationship was reexamined with perceived level of helpfulness of each contact controlled, the results provide evidence that there is a significant relationship between level of satisfaction with problem resolution and number of contacts made when the contacts were considered to be either very helpful or not at all helpful. The tendency was for more respondents to indicate some degree of satisfactory problem resolution when only one contact was made and the contact was considered to be very helpful. When only one contact was made and that contact was considered to be not at all helpful, the majority of the respondents reported being not at all satisfied.

Satisfaction with problem resolution was also dependent on the cost of the problem correction. The complainants tended to be more satisfied when the cost of the problem correction was low.

The results of this study provide statistical evidence that the decision whether or not to complain and satisfaction with the complaint handling process are independent of the demographic characteristics of the complainant.

Table 18
Summary of Statistical Findings

Chi square test for Independence	Chi square	df	p-value	Significance for $p < .05$
$H_0^{1,1}$ Decision and party responsible	14.73	4	.0053	significant
$H_0^{1,2}$ Decision and type of problem	19.50	5	.0015	significant
$H_0^{1,3}$ Decision and age of respondents	1.9	5	.83	not significant
$H_0^{1,4}$ Decision and marital status of respondents	6.18	4	.18	not significant
$H_0^{1,5}$ Decision and sex of respondents	0.37	1	.53	not significant
$H_0^{1,6}$ Decision and education of respondents	3.8	4	.43	not significant
$H_0^{1,7}$ Decision and income of respondents	6.56	5	.25	not significant
$H_0^{2,1}$ Reason and party responsible for the problem	9.57	8	.29	not significant
$H_0^{2,2}$ Reason and type of problem	7.05	10	.64	not significant
$H_0^{3,1}$ Satisfaction and cost of problem correction	15.26	8	.054	significant
$H_0^{3,2}$ Satisfaction and number of contacts	11.85	8	.15	not significant

Table 18 Continued

Chi square test for Independence	Chi square	df	p-value	Significance for $p < .05$
$H_0^{3,2a}$ Satisfaction and number of contacts controlled for not at all helpful contacts	21.3	8	.0065	significant
$H_0^{3,2b}$ Satisfaction and number of contacts controlled for somewhat helpful contacts	11.72	8	.16	not significant
$H_0^{3,2c}$ Satisfaction and number of contacts controlled for very helpful contacts	29.62	8	.0002	significant
$H_0^{3,3}$ Satisfaction and time-loss	2.5	4	.63	not significant
$H_0^{3,4}$ Satisfaction and party responsible for the problem	26.71	16	.045	significant
$H_0^{3,5}$ Satisfaction and type of problem	9.66	20	.83	not significant
$H_0^{3,6}$ Satisfaction and age of respondents	13.6	20	.84	not significant
$H_0^{3,7}$ Satisfaction and marital status	11.4	16	.78	not significant
$H_0^{3,8}$ Satisfaction and sex of respondents	1.2	4	.86	not significant

Table 18 Continued

Chi square test for Independence	Chi square	df	p-value	Significance for $p < .05$
$H_0^{3,9}$ Satisfaction and education of respondents	20.85	16	.18	not significant
$H_0^{3,10}$ Satisfaction and income of respondents	21.98	20	.34	not significant

CHAPTER V

CONCLUSIONS AND RECOMMENDATIONS

In the summary of this study it is indicated that some of the assumptions about determinants of consumer complaining behavior and consumer satisfaction with problem resolution are not supported by the results of this study. Using the reported findings, the model developed in Chapter III was revised as shown in Figure 6.

One major conclusion is that the demographic characteristics (age, sex, marital status, education, income) did not have any relationship with either the decision whether to complain or not to complain, or satisfaction with the problem handling. This fact is especially of interest because in previous research (TARP, 1979; Schutz, 1979), and general literature in consumer behavior, it is usually pointed out that consumer behavior and demographic characteristics are related. The findings of this study concerning the relationship between demographic characteristics and consumer complaining behavior need to be examined in further research.

Of the 10 independent variables which were initially presented in this study, only four variables were significant. Taking these results into consideration, it is recommended that additional research has to be undertaken in order to identify factors which cause dissatisfied consumers to complain formally. Additional factors impinging on satisfaction with complaint resolution also need further investigation.

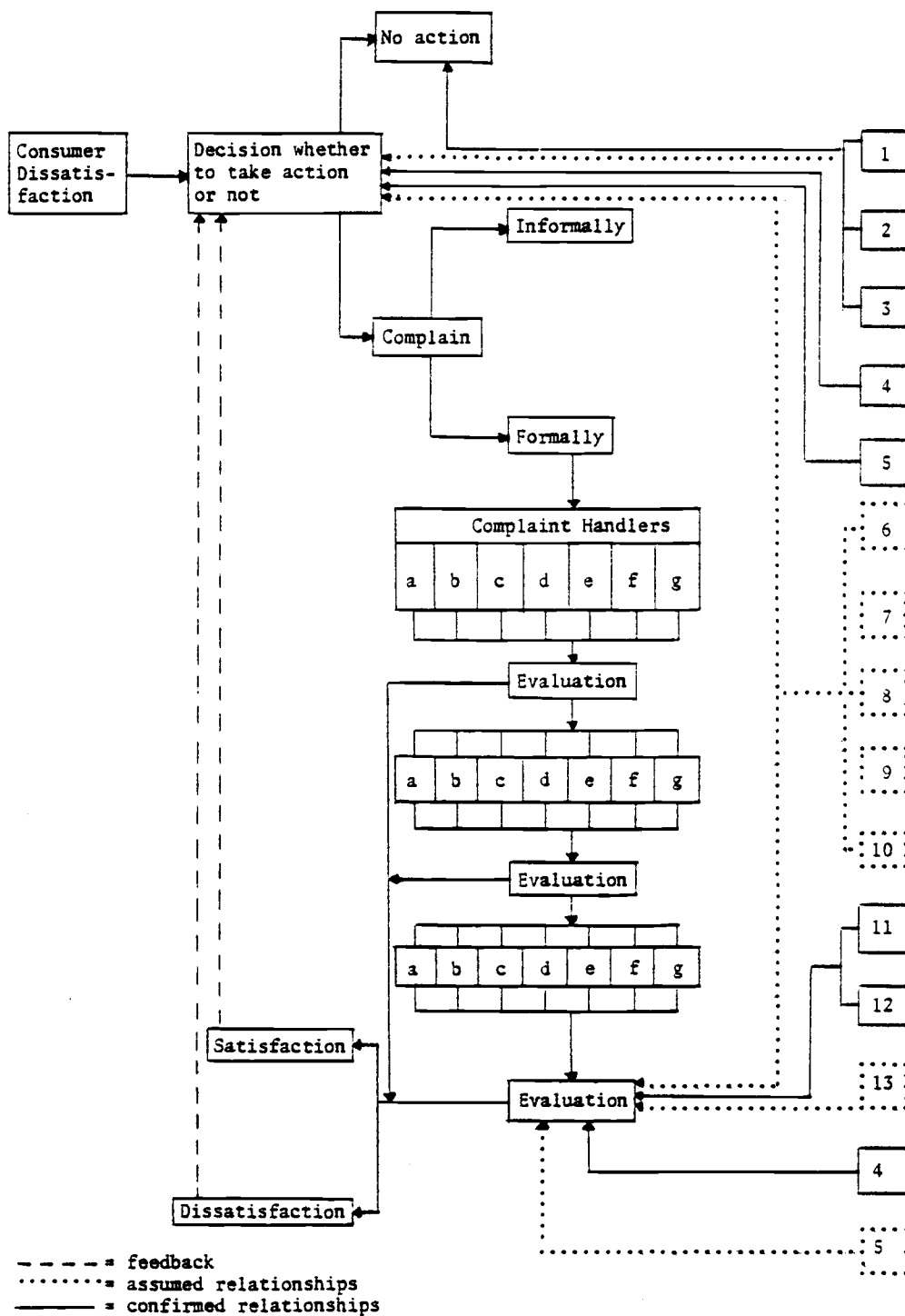


Figure 6
Revised Model

In the course of this study it became evident that the usefulness of these data are heavily dependent on the validity of the instrument. For further research the questionnaire should be revised and other potential variables should be investigated. For example, consideration should be given to the impact of the cost of purchased products and services upon complaining behavior. Another variable which should be studied is the accessibility of the complaint handler and consumer awareness of third party complaint handlers.

A finding of the study was that in most cases the dissatisfied consumers contacted the retailer, the place where the product was serviced, or the manufacturer to seek resolution of their complaints. Also, in most cases the consumers were not satisfied with the complaint handling resolution. This finding provides further support for further examination of awareness and attitudes toward third party complaint handlers.

A last major recommendation for further research is that expectations of consumers concerning 1) product performance, and 2) problem resolution should be studied. The theoretical approach of consumer satisfaction and dissatisfaction is based on expectations, although they are never explicitly defined. An investigation of behavioral aspects and attitudes relating to expectations should precede a further applied study.

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CONSUMER ATTITUDE QUESTIONNAIRE

Please check or fill in the information requested in the appropriate spaces provided. Remember, there are no right or wrong answers, just your opinions.

1. Have any of the following topics been discussed in your home in the last year? (Please check as many as apply.)

- | | |
|---|---|
| <input type="checkbox"/> Cost of electricity | <input type="checkbox"/> Quality of car servicing |
| <input type="checkbox"/> Ingredient labels on foods | <input type="checkbox"/> Shopping for bargains |
| <input type="checkbox"/> Consumer protection laws | <input type="checkbox"/> Cost of medical care |

2. In the future, do you think there should be more government regulation of business, less government regulation, or the same amount as there is now?

- ☐ More ☐ Less ☐ Same ☐ Not sure

3. Which one of these four groups—business, the federal government, consumer activists, or consumers individually—would you like to be primarily responsible for the job of seeing that consumers get a fair deal?

- ☐ Business ☐ Federal government ☐ Consumer activists ☐ Consumers

4. Below is a list of different groups and people. For each one, please check the answer which best describes how good or bad a job you think they have done in protecting the interests of the consumer.

	Excellent	Good	Fair	Poor	Not sure
Ralph Nader	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Better Business Bureau	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Television	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Newspapers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Federal government	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Oregon state government	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Consumer activists groups	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Your local government	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Consumer affairs agencies	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

5. Beside each of the statements presented below, please indicate whether you Strongly Agree (SA), Agree (A), Neither Agree Nor Disagree (NA/ND), Disagree (D); or Strongly Disagree (SD).

	SA	A	NA ND	D	SD
Most manufacturers don't really care about giving consumers a fair deal.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Consumers can most effectively voice their discontent with products by not buying them.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Many of the mistakes consumers make are the result of their own carelessness.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Most people's problems as consumers are among the most nagging and annoying in everyday life.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Most people's problems as consumers are relatively unimportant compared with other problems faced by the average family.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

PLEASE TURN PAGE

For the questions on this page, we would like you to give us some information about the experiences with the products or services you or anyone in your household used in the last year.

- (A) For each item listed, indicate whether or not anyone in your household had a problem with the item in the last year. If you marked "no" you may go on to the next product.
 (B) Next, indicate the type of problem that anyone in your household had with the product or service in the last year.
 (C) Then indicate which, if any, of the actions were taken concerning this problem. (Check "no action taken" if applicable.)
 (D) In the next section we would like you to check the appropriate box indicating how satisfied you were with the results of the action(s) to correct the problem.
 (E) In the last column we would like an estimate of how much money, if any, would you or anyone in your household have been out if the problem was not corrected. (If none, write in "0"). See the Hearing Aid category below for an example.

	A For the past year	B Type of problem, with product or service. (Check as many as apply.)	C Action taken, if any, on problem. (Check as many as apply.)	D Results of actions taken	E Cost in dollars if not corrected
	Didn't own or use Owned & didn't have a problem Owned & had a problem	Advertising Misrepresented by seller Overpriced Quality of product Unsatisfactory service Damaged/Lost item Delay in service Failure to receive Safety/Health Warranty/Guarantee Credit/Billing error Refund/Adjustment No action taken Complained to my friends Switched brand/service Complained to seller Complained to TV/Radio/ Newspaper Complained to Better Business Bureau Complained to City/County Agency Complained to State/ Federal agency Complained to law enforce- ment office Went to small claims court Completely satisfied Not completely satisfied but solution acceptable Not completely satisfied but did get something Not at all satisfied	No action taken Complained to my friends Switched brand/service Complained to seller Complained to TV/Radio/ Newspaper Complained to Better Business Bureau Complained to City/County Agency Complained to State/ Federal agency Complained to law enforce- ment office Went to small claims court Completely satisfied Not completely satisfied but solution acceptable Not completely satisfied but did get something Not at all satisfied	Completely satisfied Not completely satisfied but solution acceptable Not completely satisfied but did get something Not at all satisfied	Cost in dollars if not corrected
EXAMPLE: Hearing aid	X	X	X	X	100
Automobile - new					
Automobile - used					
Auto - parts/accessories					
Beauty/barber shops					
Bicycle					
Books/Magazines					
Business opportunities					
Calculator					
Carpeting/Floor covering					
Clothing/Footwear					
Cosmetics/Toiletries					
Coupon books					
Credit cards					
Dentist					
Drapes/Wall covering					
Drugs (non Rx)					
Employment agencies					
Eyeglasses/Contact lenses					
Film developing					
Furniture/Furnishings					
Groceries					
Hardware/Tools					
Hearing Aid					
Home improvement/Repairs					
Home/Apartment rental					
Hotel/Motel/Resort					
Housing/Real estate					
Insulation/Weatherstriation					
Insurance - auto					
Insurance - health					
Household appliances					
Lawyer					
Loans					
Mail order services					
Mobilehome					
Photographic equipment					
Physician					
Records/Tapes					
Sporting goods					
Stereo equipment/Tape recorder					
Tax preparers					
Toys					
Trade/Vocational school					
Travel					
Utilities					
Watch/Jewelry					
Wood burning stoves					

If anyone in your household had a problem with a product or service during the past year that wasn't listed above, put the name of the item in the large space on the left, and mark all the applicable responses to questions (A) through (E).

6. Of the products and services for which you indicated on the inside pages there were problems, which one had the most serious problem? _____ (Name of product or service.)
7. In your opinion, who was responsible for this problem in the first place? (Check one.)
☐ Place where you bought product ☐ Manufacturer ☐ Government (Federal/State/Local)
☐ Place where you received service ☐ Self ☐ Media (TV, Radio, Newspapers)
8. Did you or anyone in your household lose time from work, school or other activities because of this problem? ☐ Yes ☐ No
9. Did you or anyone in your household take some action to get this problem corrected?
☐ Yes (Answer Questions 11 through 13)
☐ No (Answer Question 10, then skip to 14)
10. Why didn't you or anyone in your household do anything about this problem?
☐ It wasn't worth the time or effort
☐ Didn't know where to go or what to do
☐ Decided no one would be concerned or interested in helping
☐ Other _____ (Please specify.)
11. Who was contacted and how helpful were they in correcting this problem? (If no 2nd or 3rd contact, write in "none".)
- | | (Check phrase which best applies.) | Very Helpful | Somewhat Helpful | Not at all Helpful |
|----------------------|------------------------------------|--------------------------|--------------------------|--------------------------|
| First Contact _____ | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Second Contact _____ | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Third Contact _____ | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
12. What happened as a result of the effort to have this problem corrected? (Check one.)
☐ Received more than asked for
☐ Completely satisfied
☐ Not completely satisfied, but solution acceptable
☐ Not completely satisfied, but did get something
☐ Not at all satisfied.
13. How much, if anything, did it cost trying to correct this problem? _____ (In dollars.)
 (If none, write in "0".)

Finally, we would like you to answer a few questions about yourself. Your help in this regard is quite important. In most studies we have found there are differences in the way people view a situation depending on their background.

14. In what year were you born? _____
15. Including yourself, how many people live in your household? _____
16. How many 17 year olds or younger are there in your household? _____
17. Are you now: ☐ Married ☐ Divorced ☐ Never Married ☐ Widowed ☐ Separated
18. Your educational background:
☐ 8 grades or less ☐ Some college or ☐ College graduate
☐ High school graduate ☐ community college graduate ☐ Graduate or professional school
19. Your present occupation: _____
20. How many years have you lived in your present house or apartment? _____
21. In politics, what do you consider yourself? ☐ Very liberal ☐ Liberal ☐ Middle of the Road
☐ Conservative ☐ Very Conservative
22. What is your ethnic background?
☐ Black ☐ White ☐ Mexican-American ☐ Asian-American ☐ Other
23. Your sex? ☐ Male ☐ Female
24. Do you ☐ Own or ☐ Rent your residence?
25. In which category does your family's total annual income fall?
☐ Under \$4,000 ☐ \$8,000-10,999 ☐ \$15,000-29,999
☐ \$4,000-7,999 ☐ \$11,000-14,999 ☐ \$30,000 and over
26. Do you now live in a: ☐ Rural Area ☐ Small Town or City ☐ Metropolitan Area

THANK YOU FOR YOUR HELP

APPENDIX I

CONSUMER ATTITUDE QUESTIONNAIRE

APPENDIX II

CHI SQUARE TABLES FOR NULL HYPOTHESES NOT REJECTED

Table I Decision to Complain or not to Complain and Age of the Respondents

	20 to 30 years	30 to 40 years	40 to 50 years	50 to 60 years	60 to 70 years	70 years and over	Total
Yes	73	93	55	45	38	22	326
No	32	41	17	22	18	8	138
Total	105	134	72	67	56	30	464

Chi square = 1.9 with 5 degrees of freedom; $p=.83$

Table II Decision to Complain or not to Complain and Marital Status of the Respondents

	Married	Divorced	Never Married	Widowed	Separated	Total
Yes	262	24	29	15	2	332
No	96	15	19	8	2	140
Total	358	39	48	23	4	472

Chi square = 6.18 with 4 degrees of freedom; $p=.1858$

Table III Decision to Complain or not to Complain and Sex of the Respondents

	Male	Female	Total
Yes	180	151	331
No	69	67	136
Total	249	218	467

Chi square = .37 with 1 degree of freedom; p=.53

Table IV Decision to Complain or not to Complain and Education of the Respondents

	8 Grades or less	High School Graduate	Some College	College Graduate	Graduate School	Total
Yes	13	92	113	60	47	325
No	4	40	57	17	18	136
Total	17	132	170	77	65	461

Chi square = 3.8 with 4 degrees of freedom; p=.43

Table V Decision to Complain or not to Complain and Income of the Respondents

	Less than \$4,000	\$4,000- \$7,999	\$8,000- \$10,999	\$11,000- \$14,999	\$15,000- \$29,999	More than \$30,000	Total
Yes	8	21	38	52	137	69	325
No	6	10	18	22	63	16	135
Total	14	31	56	74	200	85	460

Chi square = 6.56 with 5 degrees of freedom; $p=.25$

Table VI Reasons for not Complaining and Parties Responsible for the Problem

Reason	Place Where Product Purchased	Place Where Product Served	Manufacturer	Self	Government	Row Total
Not worth the effort	7	13	14	2	1	37
Did not know where to go or what to do	8	4	7	0	3	22
Opinion that no one would be concerned	3	5	7	1	4	20
Column Total	18	22	28	3	8	79

Chi square = 9.57 with 8 degrees of freedom; $p=.2965$

Table VII Reasons for not Complaining and Type of Problem

Reason	Auto	House	Recreation	Health	Clothing	Groceries	Total
Not worth the effort	9	6	3	4	1	3	26
Did not know where to go or what to do	5	3	2	2	1	2	15
Opinion that no one would be concerned	3	2	1	4	4	2	16
Total	17	11	6	10	6	7	57

Chi square = 7.05 with 10 degrees of freedom; $p=.64$

Table VIII Satisfaction with the Complaint Handling Process and Number of Contacts

	One Contact	Two Contacts	Three Contacts	Row Total
Not at all satisfied	34	31	25	90
Not completely satisfied	33	11	15	59
Acceptable	26	19	25	70
Completely satisfied	25	8	13	46
More than asked	11	10	10	31
Total	129	79	88	296

Chi square = 11.85 with 8 degrees of freedom; $p=.15$

Table IX Satisfaction with the Complaint Handling Process and
Time Loss Caused by the Problem

	Yes	No	Row Total
Not at all satisfied	42	57	99
Not completely satisfied	28	32	60
Acceptable	40	40	80
Completely satisfied	19	32	51
More than asked	17	18	35
Total	146	179	325

Chi square = 2.55 with 4 degrees of freedom;
p=.63

Table X Satisfaction with the Complaint Handling Process and
Types of Problem

	Auto	House	Recreation	Health	Clothing	Groceries	Total
Not at all satisfied	38	28	11	10	6	4	97
Not completely satisfied	22	20	9	6	1	2	62
Acceptable	24	16	9	4	3	0	53
Completely satisfied	16	14	3	4	2	1	39
More than asked	9	10	4	2	0	1	28
Total	109	88	36	26	12	8	279

Chi square = 9.66 with 20 degrees of freedom; p=.96

Table XI Satisfaction with the Complaint Handling Process and
Age of the Respondents

	20-30 years	30-40 years	40-50 years	50-60 years	60-70 years	Over 70 years	Row Total
Not at all satisfied	21	35	17	8	10	5	96
Not completely satisfied	11	19	7	10	9	4	60
Acceptable	16	19	14	14	8	5	76
Completely satisfied	11	11	13	6	7	3	51
More than asked	10	9	4	5	4	3	35
Total	69	93	55	43	38	20	318

Chi square = 13.6 with 20 degrees of freedom; $p=.84$

Table XII Satisfaction with the Complaint Handling Process and Marital Status of the Respondents

	Married	Divorced	Never Married	Widowed	Separated	Row Total
Not at all satisfied	79	8	6	5	1	99
Not completely satisfied	47	4	6	2	0	59
Acceptable	58	6	10	5	0	79
Completely satisfied	42	4	2	3	0	51
More than asked	28	2	4	0	1	35
Total	254	24	28	15	2	323

Chi square = 11.4 with 16 degrees of freedom; $p=.78$

Table XIII Satisfaction with the Complaint Handling Process and Sex of the respondents

	Male	Female	Row Total
Not at all satisfied	54	45	99
Not completely satisfied	29	31	60
Acceptable	42	36	78
Completely satisfied	30	21	51
More than asked	18	16	34
Total	173	149	322

Chi square = 1.27 with 4 degrees of freedom; $p=.86$

Table XIV Satisfaction with the Complaint Handling Process and Educational Level of the Respondents

	8 Grades or Less	High School Graduate	Some College	College Graduate	Graduate School	Row Total
Not at all satisfied	4	25	34	22	13	98
Not completely satisfied	2	18	22	8	7	57
Acceptable	0	23	23	17	15	78
Completely satisfied	1	12	20	9	8	50
More than asked	5	10	9	5	4	33
Total	12	88	108	61	47	316

Chi square = 20.85 with 16 degrees of freedom; $p=.18$

Table XV Satisfaction with the Complaint Handling Process and
Annual Income of the Respondents

	Less than \$4,000	\$4,000- \$7,999	\$8,000- \$10,999	\$11,000- \$14,999	\$15,000- \$29,999	Over \$30,000	Row Total
Not at all satisfied	1	4	13	19	42	18	97
Not completely satisfied	1	4	7	10	28	10	60
Acceptable	1	8	12	9	29	19	78
Completely satisfied	1	3	1	9	20	14	48
More than asked	3	1	3	7	13	7	34
Total	7	20	36	54	132	68	317

Chi square = 21.98 with 20 degrees of freedom; $p=.34$