

WHAT SHOULD WE TEACH ABOUT SHOPPING BY MAIL?

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In 1980, nearly 10 percent of all merchandise sales were through catalogs, accounting for \$29.8 billion worth of goods [1]. Mail order purchases are expected to increase; one prediction is that by 1985, consumers will make 15 percent of their purchases by mail [6].

In a recent survey of 349 Southern Illinois residents, 73 percent purchased merchandise through the mail; 58 percent had placed an order in the last six months. Additionally, 44 percent of those who purchased merchandise through the mail had experienced problems with mail orders. [3].

Mail order problems are not unique to Southern Illinois; consumers nationwide are plagued by problems with these transactions. During the period between October 1, 1977 and June 30, 1978, 27 percent of all complaints logged by the FTC involved a purchase through the mail [5]. One in five complaints recorded by the Council of Better Business Bureaus in 1980 related to mail order companies [2].

In response to consumer complaints, the Federal Trade Commission (FTC) issued a mail order merchandise rule in 1975. In previous research, however, the authors found that few Southern Illinois consumers were familiar with the rule's provisions. Because the FTC rule emphasizes companies' responsibilities to deliver merchandise on time, consumers' general lack of knowledge may be related to its narrow scope. While Southern Illinois consumers experienced a wide range of problems, only 32 percent were covered by the rule.¹ Other situations not covered, such as poor quality, damaged, or out-of-stock merchandise and unexpected substitutions accounted for the remaining 68 percent of the problems [3].

Overall, 70 percent of the Southern Illinois consumers took action to resolve problems when they occurred. Action to remedy problems was less likely for the following: poor quality, damaged, and out-of-stock merchandise and delayed deliveries [3]. To take advantage of the protection offered under the FTC rule, consumers

¹The major provisions of the FTC rule specify that if the seller promises delivery by a certain date but cannot deliver as promised, the consumer must be given the option of cancelling or agreeing to a new date. Sellers who do not specify delivery dates must deliver within 30 days or give the consumer the previously described options. Consumers who choose to cancel must receive full refunds on prepaid orders within 7 business days. The rule does not apply to certain merchandise such as photo finishing, magazines, seeds and plants, and negative option plans (book, record clubs).

must be aware of whether the company makes a delivery promise and, if so, the promised delivery date. To resolve other problems, such as poor quality or damaged merchandise, consumers must have available information regarding the company's return and refund policies. The consumer's usual source of redress information is the mail order catalog or advertisement. If mail order company policies are not stated or are ambiguous or unreasonable, consumers may be discouraged from attempting to obtain redress.

OBJECTIVES

The purpose of this research was to examine the redress information available to consumers in mail order catalogs. Specific objectives were:

1. To examine delivery promises and return policies stated in mail order catalogs;
2. To determine the availability of consumer redress information in mail order catalogs; and
3. To identify implications for consumer education teachers.

METHODOLOGY

A convenience sample of 97 mail order catalogs received in the mail by the researchers was collected during Fall 1981. The catalogs were placed into two categories: 46 gift and novelty catalogs and 51 clothing, cosmetics, shoes, and jewelry catalogs. Other types of specialty catalogs, such as food and needlework, and general merchandise catalogs were excluded.

RESULTS

The catalogs were examined to identify specific policy statements. Table 1 summarizes selected delivery and return promises contained in the 97 catalogs. Mail order companies were often vague regarding delivery promises. Seventy percent made no statement regarding delivery time or used vague terms such as goods will be shipped "promptly" or "pronto." Among those 29 companies specifying a delivery time, 15 promised delivery within 7 days or less. However, many delivery promises were ambiguous. One company promised to "begin processing" the order within 7 days of receipt and to notify the consumer if the "delay was over 21 days." Another specified no delivery date but promised a refund if items arrived "too late." A third misrepresented the FTC rule stating, "Federal law requires us to specify 30 to 60 days delivery."

The majority of both gift and clothing companies did promise a full refund, exchange, or credit for returned merchandise. A relatively small proportion (11%) made no statement regarding refunds or used vague terms such as "satisfactory adjustment will be made."

Table 1
DELIVERY, RETURN, AND SUBSTITUTION POLICIES
OF MAIL ORDER COMPANIES

Policies	Number of Catalogs (n = 97)	Percent of All Catalogs
Delivery Promises		
7 days or less	15	16%
8 to 14 days	1	1
2 to 3 weeks	4	4
30 days	*6	6
4 to 8 weeks	3	3
Vague terms or no information	68	70
Refund, Exchange, or Credit		
Promised in full	86	89
Vague terms or no information	11	11
Length of Time for Return		
15 days or less	20	21
30 days	15	15
31 days to 1 year	3	3
Vague terms or no information	59	61
Specific Return Instructions Given		
Yes	23	24
No	74	76
Substitution Policy		
Will substitute	9	9
Substitute with prior consent	4	4
No substitutions made	2	2
No information	82	85

*One promises 4 weeks delivery for mail orders, 3 days for phone orders.

Contrary to what might be expected, not all companies promised full refunds for returned merchandise. Additionally, few companies provided consumers with specific information to assist in returning merchandise. In over 60 percent of the catalogs, no specific length of time was given for returns. Vague terms, such as "return promptly" and "return as soon as possible," and no information were more common in both gift and clothing catalogs than specific time lines. In 21 percent of the catalogs, a relatively short period of time (in one case 7 days) was

specified for returns. Additionally, relatively few catalogs provided specific return instructions. In only 24 percent of the catalogs was the consumer given packaging or mailing instructions for returning merchandise or procedures to follow when receiving damaged merchandise.

One source of consumer complaints stems from companies making unexpected substitutions for out-of-stock merchandise. The mail order companies in this sample were generally noncommittal regarding substitutions, with no information given in 85 percent of the catalogs.

Table 2
MAIL ORDER CATALOG REDRESS INFORMATION

	Number of Catalogs (n = 97)	Percent of All Catalogs
Location of Information		
All on order blank(s)	68	70%
Order blank plus elsewhere	29	30
	* * * * *	
Customer Service Telephone		
Toll-free	6	6
Not toll-free	48	49
No telephone number	44	45

The last aspect of mail order catalog policy examined was the availability of information to consumers (Table 2). Catalogs were examined to determine where return policies and delivery promises, if stated, were located. In 70 percent of the catalogs, all information that would be pertinent to a consumer once a problem occurs was on the order blank. Although a few catalogs contained duplicate order forms, most often the consumer would not have access to redress information once an order had been mailed.

Finally, 55 percent of the catalogs included a customer service telephone number for use when problems arise. A small proportion of these (6 of 54) were toll-free numbers. Unfortunately, the customer service telephone number was often given on the order form. Unless a copy of the order form was made, the consumer would not have access to the information after mailing the order.

CONCLUSIONS

Research results indicate that mail order company policies vary greatly. Some companies stated clear, reasonable policies, while others provided consumers with ambiguous information or no information on which to base expectations about the company's performance. In the majority of catalogs, most of the information needed to resolve a problem was on the order form. Therefore, consumers who do not make a copy of an order before mailing it may not have access to information needed to initiate redress. A surprising number of companies did provide a customer service telephone number. Additionally, many companies were members of the Direct Mail/Marketing Association, which operates a Mail Order Action Line and will intervene on behalf of consumers with both members and nonmembers of the Association.

IMPLICATIONS FOR CONSUMER EDUCATION TEACHERS

If consumers have had satisfactory experiences with a few companies, they may assume all companies have policies similar to those with which they are familiar. Such expectations may be responsible for a number of the problems consumers encounter. What do we need to teach that would aid in avoiding problems with mail order merchandise and resolving problems that do occur? Consumers should learn the provisions of the FTC rule in order to take advantage of the protection it offers. Additionally, before ordering from an unfamiliar company, consumers should check:

1. Does the company make a delivery promise? If not, consumers can expect delivery within 30 days.
2. What are the exchange, refund, and credit policies for returning merchandise? What length of time is allowed for returns? Who pays shipping charges for returns? Consumers can compare among companies to find the return policies that meet their expectations.
3. What is the company's substitution policy? Persons not willing to accept substitutions should specify this on the order form.
4. Where is the information needed if problems develop after the order has been placed? If it is on the order form, the consumer needs to have a record at home.

Consumer education teachers might design a unit based on mail order purchases emphasizing the above points. Students could compare the policies of various mail order catalogs and advertisements they collect to identify differences. Additional aspects such as variations in postage and handling charges and a comparison of mail order prices to local retail prices should

also be included. With the rising popularity of mail order purchasing, information about this specialized market should be included in consumer education curricula.

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FAMILY ADAPTATION TO ECONOMIC CHANGE

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Americans are shifting their expectations from "...steady growth, ever-increasing abundance, continuing improvement in the individual's standard of living,....and jobs for all who want to work," to the expectation of "...economic instability: recession, depression, continued inflation, joblessness, and shortages" [1]. These observations of Yankelovich and Lefkowitz came from reviewing the last 25 years of public opinion survey data. They describe consumers as working through "...the conflict and disappointment created by the need to adapt to new, unwelcome conditions. (Consumers) have yet to find new strategies for coping based on lowered expectations" [1].