

## TEACHING CONSUMER REDRESS THROUGH COMPLAINT LETTER WRITING

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Consumer educators stress that voicing consumer complaints is an important part of effective consumer performance (Bonnice & Bannister, 1990; Garman, 1991). Researchers have found that businesses want to hear from dissatisfied customers because unhappy customers who take no action may be left with unresolved bad feelings about the company (Hawkins, Best, & Coney, 1992). These consumers tend to express their dissatisfaction to others, costing the company not only the future business of the unhappy customers but also the current patronage of those to whom they have complained. Compared with satisfied customers, dissatisfied customers tell twice as many people about their buying experience (TARP, 1986).

Yet, most consumers who complain to a company are seeking a tangible result--not just a chance to complain. Increased dissatisfaction results when the consumer expects complaint resolution and fails to experience it (Goodwin & Ross, 1990). Satisfactory complaint resolution, on the other hand, increases positive and lessens negative comments (Lewis, 1986).

Researchers have found that consumers who complain in writing and receive no response report lower levels of satisfaction than those who do receive a response from the firm (Pearson, 1976; Resnick, Gnauck, & Aldrich, 1977). Despite these findings, business has a less-than-excellent record of response to consumer complaints. In a study of 353 college students, Kinney and Pritchard (1986) reported that 26% of the subjects received no response from the companies from whom they sought redress. Pearson (1976) surveyed 233 college students and found that 31% received no reply to complaint letters. Resnik et al. (1977) reported a non-response rate of 44% by companies contacted in writing by college students seeking redress.

## Purpose

This study had two purposes: (a) to provide students in a consumer class with a meaningful and participatory exercise in consumerism, and (b) to determine if the findings resulting from analysis of student responses to a follow-up questionnaire support the present body of knowledge regarding consumer complaint behavior. The study built upon the findings of previous studies (Kinney & Pritchard, 1986; Pearson, 1976; Resnick et al., 1977) that utilized student feedback to determine response to consumer behavior. In the current study, the investigators placed emphasis on the consumer's intent to do future business with a company based on the company's response to a complaint letter.

## Procedures

The investigators asked college students enrolled in a Fall 1992 consumer economics class to write genuine letters of complaint regarding an unsatisfactory product or service. Students followed guidelines given in class and in the *Consumer's Resource Handbook* (U.S. Office of Consumer Affairs [USOCA], 1992) and wrote 40 complaint letters. The letters contained no evidence that they were written by students as a class assignment.

The use of students as letter-writers about genuine consumer complaints afforded a degree of real-life experience and an important degree of control. Realism in seeking redress was obtained by allowing students complete freedom in choosing both the companies to receive the letters and the nature of the complaints. A degree of control was maintained by requiring students to submit their letters and addressed envelopes in a class meeting, so the letters could be mailed on the same day.

Upon receipt of a response from the business, students completed a questionnaire (see Appendix). After a period of 7 weeks, all students were to have completed the questionnaire even if they had received no response by that time. The questionnaire asked students to report the receipt of a response, the length of time required to receive the response, their satisfaction with the response, their intent to continue doing business with the company based on their satisfaction

with the response, and their motivation to write future complaint letters.

## Findings

Eighty percent of the businesses responded to the students' letters. Of the organizations who sent a response, 75% mailed a reply and 25% telephoned. The majority (72%) of the students received responses within 3 weeks, with 22% of the responses within 5 to 10 days. The remainder (6%) of the students received replies within 45 days. Forty-three percent of the students reported that companies complied with their requests. In an additional 40% of the cases, companies complied with part of the student's request.

Most students (64%) reported that they were satisfied or very satisfied with the response from the company, 14% were uncertain, and 22% were dissatisfied or very dissatisfied. Not surprisingly, 63% of the students said they were likely or very likely to do future business with the company because of the company's response. Twenty-nine percent were unlikely or very unlikely to patronize the company in the future, and 8% were uncertain whether they would again do business with the organization.

A full 87% of the students reported that they would seek redress by writing complaint letters in the future. Eight percent indicated that they were uncertain about writing another complaint letter and 5% noted that they were very unlikely to write complaint letters in the future.

The investigators used the Spearman rank-order correlation coefficient to test the association between satisfaction with the response from the company and likelihood that the student would give repeat business to the company. A moderately strong positive relationship was manifested between the variables, ( $\rho = .57, p = .0005$ ). That is, as satisfaction with the company's response increased, students were more likely to patronize the company in the future.

The researchers sought to learn if students who received no response were as likely as those who did not receive a reply to patronize the company in the future. A 2 x 2 contingency table was created by judiciously combining the categories for likelihood of doing business with the company in the future. The "likely" and "very likely" categories were collapsed into one and the "unlikely" and "very

unlikely" categories were also combined. The researchers eliminated the "uncertain" category, reducing the sample from 40 to 38 students. The researchers used the Fisher exact probability test for 2 x 2 tables for the analysis. Receipt of a response and likelihood of no repeat business were significantly related ( $p < .001$ ). That is, those who received no response from the company were less likely to do future business with the company than were those who received a response.

### Conclusions and Implications

The majority of consumers in this study (80%) received replies to their complaint letters. Response by businesses was slightly higher than the response rates of 56 to 74% reported in other similar studies (Kinney & Pritchard, 1986; Pearson, 1976; Resnick et al., 1977). Perhaps the direction given the students through classroom instruction and the students' use of the *Consumer's Resource Handbook* (USOCA, 1992) helped increase organizational response. For example, subjects in the present study were instructed to include their expected response in their complaint letters. That is, they were asked to state the specific action they expected the company to take and the date by which they anticipated the response.

Findings of the current study were similar to those of previous researchers who found that consumers who received a response to their complaint letters reported greater satisfaction with the company than consumers who failed to receive a response (Pearson, 1976; Resnik et al., 1977). Organizations who do not respond to consumer complaints may suffer loss of patronage. In the current study, consumers who failed to receive a reply reported they were less likely to do future business with the company than students who received a response. Accordingly, companies that manage complaints in a manner that consumers find satisfactory are more likely to retain customer loyalty.

One goal of consumer education is a change in student behavior; presumably, the educator has succeeded if the student puts learning into practice. Most students in this study (87%) indicated that they would seek redress again by writing a consumer complaint letter. The real-life experience coupled with the positive feedback from the businesses undoubtedly helped to reinforce the concepts learned about consumer redress. Therefore, use of complaint-letter writing as a

genuine consumer redress experience continues to be a worthwhile teaching tool. The intent is that with this method, students will learn their consumer rights as well as their responsibilities as effective consumers.

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## APPENDIX

### *Questionnaire: Response to Consumer Complaint Letter*

1. Please indicate your answers by marking an X in the appropriate blanks:

a) Complaint was related to:

- a product
- a service
- unsure (explain) \_\_\_\_\_

b) Response from the company was received:

- by mail
- by phone
- I received no response

c) Response was received within \_\_\_\_\_ days of the mailing date.

d) Company did what was requested:

- yes
- no
- somewhat (explain) \_\_\_\_\_

e) The company's response was:

- sent letter of apology
- sent a refund \$\_\_\_\_\_ (amount of refund)
- sent a coupon \$\_\_\_\_\_ (value of coupon)
- offered to replace the product
- offered to repair product
- other (specify) \_\_\_\_\_
- no response

f) The title of the person who responded to your complaint:

- Consumer affairs
- Manager
- Owner/President
- Marketing personnel
- Other (specify) \_\_\_\_\_

g) How satisfied were you with the company's response?

- Very satisfied
- Satisfied
- Uncertain
- Unsatisfied
- Very unsatisfied

h) How likely would you be to write a complaint letter again?

- Very likely
- Likely
- Uncertain
- Unlikely
- Very unlikely

i) If you had not complained to the company, how likely would you have been to do business with them again?

- Very likely
- Likely
- Uncertain
- Unlikely
- Very unlikely

j) As a result of the company's response, how likely are you to purchase a product or service from this company again?

- Very likely
- Likely
- Uncertain
- Unlikely
- Very unlikely

2. Staple a copy of the company's response letter to this form.

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**Note**

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