Subjects in Group 1 (a control group) were presented the four brands and were asked to rate them without any information other than their personal inspection. Group 2 completed a similar task, but was provided five bits of "marketing information" on each brand (i.e., for blankets brand name, care instructions, colors available, fiber content and price were available). Subjects were instructed to select information on whichever of these characteristics they wanted from a display board set up immediately behind the four alternatives. Group 3 completed the same task, but received "extended information" which included the marketing information presented to Group 2 plus an array of information on the performance of each product as described in Consumer Reports (i.e., for blankets information on the binding, durability, strength, warmth and weight was provided).

The use of the display board technology for presenting consumer information and measuring the consumer's use of information during the decision-making process is a relatively new technique in consumer research. Basically the technique includes cards containing pieces of information on each product and for each characteristic (i.e. price of brand X). Subjects select the information they desire from a display board, and this is recorded. Thus a complete record of the types, amounts and sequences of information which the consumer used in actually making the decision can be obtained.

As indicated earlier, consumer efficiency was measured by comparing the consumer's ratings of product quality for the four alternative choices as compared to Consumer Reports ratings. A consumer efficiency index (CEI) was calculated for each consumer as follows:

$$CEI_j = \sum_{i=1}^{k} R_i - C_{ij}$$

where
k = Number of choices (alternatives, brands made available to consumers in a set)

CEI_j = Consumer Efficiency Index of the jth consumer in rating the quality of k alternatives in the set

R_i = Objective rating of the ith alternative in the set

C_{ij} = Rating of the ith alternative by consumer j

and

$\sum_{i=1}^{k}$ directs to sum the (absolute) values over all k alternatives.

Rank orderings were used to calculate subjects' CEI scores for the experiment. Based on the distribution of scores obtained, three levels of efficiency were identified for use in the analysis. These were perfect efficiency (a perfect score, no errors in ranking),

good efficiency (small but potentially consequencial deviations from perfect efficiency), and moderate to low efficiency (scores indicating substantial error and a likelihood of inefficient choice).

Findings

Tables 1 and 2 present background data on the percentage of consumers performing at each level of efficiency for each of the three information treatments.

Table 1

EFFICIENCY IN RATING BLANKET QUALITY
BY LEVELS OF INFORMATION

| Consumer Efficiency | Level of Information | | |
	Products Only	Products and Marketing Information	Products and Extended Information
Perfect	10%	21%	38%
Good	19%	34%	49%
Moderate to Low	71%	45%	13%
Column Totals (N)	100% (52)	100% (44)	100% (45)

Chi-square = 33.2   d.f. = 4   P < .0001

Table 2

EFFICIENCY IN RATING SLOW COOKER QUALITY,
BY LEVELS OF INFORMATION

| Consumer Efficiency | Level of Information | | |
	Products Only	Products and Marketing Information	Products and Extended Information
Perfect	23%	33%	36%
Good	25%	29%	33%
Moderate to Low	52%	38%	31%
Column Totals (N)	100% (52)	100% (45)	100% (45)

Chi-square = 4.7   d.f. = 4   P = .32

In general it is clear that the proportion of efficient consumers increased across the three informational treatments. For blankets (Table 1), the proportion of perfectly efficient consumers increased from 10% with no information present to 21% under marketing information and 38% under extended information. For slow cookers (Table 2), the proportion increased from 23% under no information to 33% under marketing information and 36% under extended information.

Table 3 provides a perspective on the number of informational cues used by consumers performing at different levels of efficiency. The most dramatic findings are for blankets under the extended information treatment. Perfectly efficient consumers used an average of 21.3 bits of information (card selections from the display board), as compared to 17.8 bits used by good efficiency consumers and 11.7 by moderate to low efficiency consumers. However, the remaining findings are not nearly as dramatic as those for blankets.

Table 3

MEAN NUMBER OF INFORMATION SOURCES USED,
BY PRODUCTS, INFORMATIONAL TREATMENTS AND
LEVELS OF EFFICIENCY IN RATING QUALITY

Product, Informational Treatment, Level of Consumer Efficiency	Number of Sources
BLANKETS:	
Extended Information	
Perfect Efficiency	21.3
Good Efficiency	17.8
Moderate to Low Efficiency	11.7
Marketing Information	
Perfect Efficiency	11.8
Good Efficiency	12.7
Moderate to Low Efficiency	12.9
SLOW COOKERS:	
Extended Information	
Perfect Efficiency	19.0
Good Efficiency	17.3
Moderate to Low Efficiency	18.0
Marketing Information	
Perfect Efficiency	14.6
Good Efficiency	11.0
Moderate to Low Efficiency	12.7

The remainder of the analysis focuses on the information-seeking behavior of perfectly efficient consumers. Tables 4 through 7 summarize the types of information most frequently sought by these consumers. Under the marketing information treatment for blankets (Table 4), fiber content and care instructions dominated selections in early rounds (informational selections 1 through 5), while price and colors available were generally selected somewhat later.

Table 4

INFORMATIONAL CONTENTS SELECTED BY PERFECTLY
EFFICIENT CONSUMERS (BLANKET QUALITY
RATINGS UNDER MARKETING INFORMATION)

Informational Content	Percentage of Selections, By Rounds			
	1-5	6-10	11-15	16-20
Brand Name	11%[a]	14%	17%	100%
Care Instructions	27%	28%	22%	0%
Colors Available	0	11%	44%	0%
Fiber Content	40%	17%	6%	0%
Price	22%	31%	11%	0%
Total	100%	101%	100%	100%
Base (Number of Selections	45	36	18	4

[a]Read: 11% of the informational cards selected in rounds 1-5 were for information on brand name. Columns may not add to 100% due to rounding errors.

Under extended information for blankets (Table 5), fiber content and durability led early selections, followed later by price and care instructions.

Table 5

INFORMATIONAL CONTENTS SELECTED BY PERFECTLY
EFFICIENT CONSUMERS (BLANKET QUALITY
RATINGS UNDER EXTENDED INFORMATION)

Informational Content	Percentage of Selections, By Rounds			
	1-5	6-10	11-15	16-20
Brand Name	15%	6%	9%	16%
Care Instructions	11%	15%	14%	25%
Colors Available	1%	1%	3%	2%
Fiber Content	22%	12%	17%	12%
Price	14%	26%	13%	11%
Binding of Edges	4%	5%	10%	5%
Durability	19%	20%	17%	14%
Strength	5%	4%	9%	9%
Warmth	4%	7%	7%	5%
Weight	6%	5%	1%	2%
Total	101%	101%	100%	101%
Base (Number of Selections)	85	82	70	57

The types of information sought on slow cookers were somewhat different. Under marketing information (Table 6), selection of care instructions and material content were dominant in early rounds, while information on price and brand name were selected later.

Table 6

INFORMATIONAL CONTENTS SELECTED BY
PERFECTLY EFFICIENT CONSUMERS (SLOW COOKER
QUALITY RATINGS UNDER MARKETING INFORMATION)

Informational Content	Percentage of Selections By Rounds			
	1-5	6-10	11-15	16-20
Brand Name	11%	9%	30%	29%
Care Instructions	41%	19%	11%	5%
Colors Available	4%	7%	11%	48%
Material Content	31%	32%	11%	10%
Price	13%	32%	37%	10%
Total	100%	99%	100%	102%
Base (Number of Selections)	75	68	54	21

Under extended information (Table 7), material content and brand name led early selections, and care instructions, price and capacity led later choices.

Table 7

INFORMATIONAL CONTENTS SELECTED BY
PERFECTLY EFFICIENT CONSUMERS (SLOW COOKER
QUALITY RATINGS UNDER EXTENDED INFORMATION)

Informational Content	Percentage of Selections, By Rounds			
	1-5	6-10	11-15	16-20
Brand Name	20%	8%	5%	7%
Care Instructions	15%	27%	26%	20%
Colors Available	1%	0%	3%	2%
Material Content	23%	19%	8%	24%
Price	9%	16%	23%	22%
Capacity	13%	15%	12%	12%
Cord	0%	1%	8%	0%
Energy Use	15%	7%	8%	7%
Recipe Book	4%	5%	3%	2%
Storage Space	1%	3%	5%	2%
Total	101%	101%	100%	98%
Base (Number of Selections)	80	75	65	41

Our last analysis involves an exploratory examination of selected information seeking sequences used by perfectly efficient consumers. Figure 1 presents selected cases.

Figure 1

Selected Information Seeking
Sequences Used by Perfectly Efficient
Consumers (Blanket Quality Ratings Under
Marketing Information)

Case 1[a] Price #1 -- Price #2 -- Price #3 -- Price #4--
           Care #1 -- Care #2 -- Care #3 -- Care #4 -- Decision

Case 2   Brand #2 -- Brand #4 -- Price #2 -- Price #4 --
           Care #2 -- Care #4 -- Brand #1 -- Brand #3 -- Decision

Case 3   Fiber #1 -- Care #1 -- Fiber #2 -- Care #2 --
           Fiber #3 -- Care #3 -- Fiber #4 -- Care #4 -- Decision

Case 4   Fiber #4 -- Fiber #3 -- Fiber #2 -- Fiber #1 --
           Price #4 -- Price #2 -- Price #3 -- Brand #3 --
           Brand #4 -- Brand #2 -- Care #3 -- Colors #3 --
           Colors #2 -- Colors #4 -- Decision

[a]Read: This individual (case 1) used a "processing by charac-
          teristics" information seeking strategy. That is, the
          price of the first displayed product was sought, followed
          then by the prices on the second, third and fourth dis-
          played product. Then the individual chose information
          sequentially on care instructions for the first-fourth
          displayed products. All following cases in Figures 1-4
          should be similarly interpreted.

NOTE: Quality rating in Consumer Reports were as follows:
       Best = 4th Displayed Product; 2nd Best = 2nd Displayed
       Product; 3rd Best = 3rd Displayed Product; Worst = 1st
       Displayed Product.

For example, the Case 1 subject first selected information on the price of the first displayed blanket (left end of display), followed then by the prices on the second, third and fourth displayed products. All other cases in Figure 1 may be similarly interpreted.

The cases selected for inclusion in Figure 1 are typical information seeking strategies used by efficient consumers in the sense that they represent relatively systematic search for information on key product characteristics and purchasing criteria. They are also typical in the sense that most represent what may be termed a "processing by characteristics" information seeking strategy.

That is, these cases exemplify the general finding that most
efficient consumers compared all four alternative choices across
a single characteristic (i.e. durability, fiber content), before
proceeding to the next characteristic (in a few cases the sub-
ject actually compared two characteristics at a time, such as
Case 3 in Figure 1). However, some efficient consumers did use
a "processing by brands" strategy (i.e. selecting all desired
information on a single brand before proceeding to the next brand),
though these were clearly in the minority.

Most of the selected cases in Figure 1 are not typical of perfectly
efficient consumers in this important respect. Most of the selected
cases used a lower than average number of informational selections
to arrive at their decisions. Thus many of these consumers were
efficient not only in ranking product quality, but also in their
selection and use of information on key characteristics. They were
probably also effective in physically evaluation of the products,
as some of the cases suggest, though this was not overtly evalu-
ated in the investigation. It was also found that those subjects
who used a higher than average number of informational selections
were likely to follow a processing by brands or a mixed strategy,
rather than processing by characteristics. This observation,
though based on a small number of cases, tends to suggest that
there may indeed be important differences in the inherent effi-
ciency of the characteristics vs. brands strategies of informa-
tion seeking and decision-making.

Discussion

Though the research we have reported is exploratory in nature,
it contributes to the analysis of consumer decision processes in
a variety of ways. It exemplifies a methodology for collecting
data on consumers' use of information which appears to have
greater face validity in measuring actual information seeking at
the point of purchase than simple recall data from surveys. It
establishes a simple criterion for efficient consumer perfor-
mance based on objective quality ratings of products compared to
consumers' evaluations. It presents some data supporting the pro-
position that more information is better in the sense of enhanc-
ing efficient consumer performance, and it suggests that on the
average efficient consumers may use more information than other
consumers. It reinforces the widespread belief that objective
product information, uncluttered with distractions, is likely to
enhance efficient consumer decision-making. Finally, it suggests
the hypothesis that efficient consumer performance is likely to
be enhanced when a processing by characteristics strategy of
information seeking is followed.

One of the most important contributions of this type of research
is the identification of particular product characteristics and
purchasing criteria which are most likely to be used by consumers.
In this respect the behavioral process methodology appears espec-
ially suitable, since it relies on actual consumer performance
rather than recall data. Using these data and focusing on the
most successful (efficient) consumers, it is possible to identify

the characteristics which are most likely to affect efficient performance. For example, the blanket analysis suggests the key importance of three characteristics, fiber content, durability, and care instructions.

Once findings of this type are established, they can be applied in various ways by consumer educators, policy makers, and marketers. The findings for blankets for example, suggest that consumer educational programs can be most effectively placed in developing consumers' general skills in analyzing fiber contents, care labels, and durability ratings. For policy makers, the value of established regulatory labeling programs regarding fiber content and care labels is verified, and durability ratings are indicated for future consideration for programs such as the new voluntary labeling program of the U.S. Department of Commerce. The findings are also important to marketers in identifying both the characteristics which must be accurately labeled on the product and the most likely ultimate criteria for consumer satisfaction and repeat purchases.

The finding that efficient consumers are likely to follow a processing by characteristics strategy of information seeking has some particularly important implications. For educators this would suggest that teaching consumer education emphasizing systematic characteristic-by-characteristic analysis of alternatives might be in the consumer's best interests. Similarly, the implications for the marketing system are that product information presented by characteristics rather than by brands as in the current market might be in the consumer's best interests. However, the provision of information in such a form presents a complex problem, and it would require substantial research and cost-benefits analysis on a product by product basis.

It is necessary to replicate studies of this type across a variety of products and consumer populations. Such research should receive active and unbiased mutual support from business, government and independent consumer organizations, for findings of this type are clearly of importance to their mutual interests.

FOOTNOTE

1. George Sproles, Loren Geistfeld and Suzanne Badenhop, "Informational Inputs as Influences on Efficient Consumer Decision-Making," Journal of Consumer Affairs, (Summer 1978 in press).

EVALUATION: A CRITICAL COMPONENT OF ORGANIZED CONSUMER PROTECTION

Dr. Robert Flashman and Richard O. Retrum*

The Consumer Relations Board (CRB) at Kansas State University has been serving student consumers since 1970. Its objectives are to handle individual complaints, to educate students, and to conduct research regarding the effectiveness of proposed legislation. Results of a 1974 survey, here reported, indicate that the CRB is widely recognized by K.S.U. students and that students rate its effectiveness above that of other sources of consumer information and assistance.

Recognizing the fact that college students are not immune to the fraudulent and deceptive practices that plague the general population, in the fall of 1970 the Student Governing Association of Kansas State University funded the Consumer Relations Board (CRB). The primary objectives of CRB are: to handle individual complaints; to educate students; and to conduct research regarding the effectiveness of existing and proposed legislation. The organizational make-up of CRB as well as its early activities are documented in a book entitled University Consumer Protection.[1]

The first objective of CRB, handling individual complaints, is the backbone of any good local consumer group. Complaints with local merchants can be resolved quickly because of the group's proximity to them. The most dramatic instance of complaint handling in CRB's history was when it became necessary to picket a local gas station that damaged a car that was in for repairs. This was the only time CRB has had to resort to picketing, as it is reserved as the final step of otherwise unsuccessful negotiations. In this one instance, local newspapers and radio stations had reported on the proceedings of the case for an entire week, and, after one day of picketing, the problem was resolved to the satisfaction of the consumer.

The second major objective of CRB, to educate students, uses various media for educational efforts that emphasize consumer rip-offs and important facts to consider prior to signing a contract.

The final objective of Consumer Relations Board is to become involved in research that a) evaluates the effectiveness of existing legislation and b) evaluates changes in the marketplace structure that could be brought about through new legislation or through consumer handbooks that evaluate products and services.

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The best example of the application of research to consumer prob-
lems is in the area of landlord-tenant relations. After three
years of handling complaints, CRB realized something had to be
done to improve the unfortuante landlord-tenant situation. CRB
attacked the problem from two fronts:

1. lobbying, which resulted in the passage of
    the Kansas Landlord-Tenant Act and the Man-
    hattan Escrow Ordinance,
2. publishing a Tenant's Handbook.

Since the inception of the Kansas State University Consumer Re-
lations Board, many other universities in the United States have
established CRBs on their own campuses. Other institutions have
employed the fundamental concepts of CRB as outlined in University
Consumer Protection, making adaptations to suit their own parti-
cular needs and resources. Although we do not have information
on the success or failure of all of these, we do know that of the
CRBs started at the six other state colleges in Kansas, only three
remain. One significant difference in the Kansas State Univer-
sity CRB from the other CRBs is constant re-evaluation.

The first major study to determine the impact of CRB at Kansas
State University on the student populace was conducted by CRB in
1974.[2] Further analysis of the data was conducted by this author
for the present report. The original thesis, as well as the fol-
low-up research sought to determine:

1. KSU student awareness of CRB
2. Manner in which KSU students became informed
    of CRB
3. Effectiveness of both the Kansas State Univer-
    sity CRB and other agencies organized to aid
    the consumer, e.g., Better Business Bureau,
    Attorney General's Office, and the Chamber of
    Commerce.

In pursuit of answers to the above questions, questionnaires were
mailed to a random sample of 510 students. A total of 381 students
responded. Chi-square analysis revealed no significant differ-
ence between respondents and non-respondents according to year
in college, curriculum, sex, marital status, and living arrange-
ment.

The results of the 1974 survey indicated that 60.4 percent of the
respondents were aware of CRB and understood its purpose, although
only 7.4 percent of them had taken complaints to CRB. In the
1976-77 academic year, a survey conducted by CRB utilizing a sys-
tematic random sample of Kansas State University students who had
telephones, found that 65.9 percent had heard of CRB.

According to the 1974 study, three major sources through which
those students who knew about CRB and understood its purpose had
learned of CRB were: the student newspaper (25.6 percent); word
of mouth (27.4 percent); and the classroom (22.6 percent). As
a result of these findings, a concerted effort was made to reach

a greater number of students through additional alerts and educational articles by CRB in the student newspaper. In the 1976-77 study, over half (52.7 percent), said that their knowledge of CRB came from the student newspaper, while a lesser number noted "word of mouth" (15.4 percent), and 7.7 percent noted class announcements. Other forms of mass media such as T.V., local radio, etc. currently being used in an effort to reach more students who have consumer problems.

As part of the original survey, two questions were posed to students in order to determine their opinion of the effectiveness of Consumer Relations Board. The first question, "Do you consider the Consumer Relations Board to be a valuable service to students at Kansas State University?" received a favorable response of 97 percent of those students who knew about CRB.

In order to determine student opinion of the effectiveness of CRB as well as six other complaint-handling alternatives, a five-point Likert scale was utilized. Results based on ratings from all respondents showed that CRB had the most favorable rating among the seven groups, followed by "Private Attorney", "Better Business Bureau", "Attorney General's Office" and "Chamber of Commerce", "Your Parents", and "Your Friends". (Table 1) These differences were significant at the .01 level. Responses of only those students who were knowledgeable about CRB still gave CRB the most favorable ratings. Those who did not know about CRB gave the most favorable ratings to the Better Business Bureau. Both those who had heard of CRB and those who had not rated the effectiveness of the Kansas Attorney General's Office as being below average. Those knowledgeable about CRB, however, rated it significantly higher than those who did not know about CRB.

Table 1

EFFECTIVENESS OF VARIOUS SOURCES OF ASSISTANCE AS PERCEIVED BY STUDENTS

Sources of Assistance	All Respondents		Those who knew about CRB		Those who did not know about CRB		t
	Rank	Score	Rank	Score	Rank	Score	
CRB	1	3.8	1	4.1	3	3.4	7.907***
PA	2	3.7	2	3.8	2	3.6	2.459**
BBB	3	3.5	3	3.5	1	3.7	-2.303**
CC	4	2.5	5	2.5	4	2.6	-1.464
AG	5	2.5	4	2.6	6	2.3	3.614***
PN	6	2.4	6	2.4	5	2.4	- .411
FR	7	2.2	7	2.2	7	2.2	.129
OTH	8	.05	8	.03	8	.07	- .315

Explanation of Abbreviations

CRB - Consumer Relations Board   ** p .01
PA - Private Attorney   ***p .001
BBB - Better Business Bureau
CC - Chamber of Commerce
AG - Attorney General's Office
PN - Parents
FR - Friends
OTH - Other

Inflation, along with an increase in the number of social services (11 in total) funded by the Student Governing Association, has necessitated a re-evaluation of student priorities. As part of the student body election (February 16, 1977) SGA asked 2800 students to select the three campus social services they thought were most necessary. CRB ranked third although it currently has one of the lowest budgets. This provides another indication of its effectiveness in reaching students.

According to May 1977 Harris Poll, consumers generally feel that their plight has become worse over the years and that they need help in looking after their own interests (2½ to 1 margin). It seems, therefore, that CRB will continue to provide a necessary function as long as it meets the needs of the consumers. This will happen only with constant re-evaluation of its performance.

FOOTNOTES

1. Robert H. Flashman, University Consumer Protection, (Manhattan, Kansas: Kansas State University, 1971).

2. Richard O. Retrum, Unpublished master's thesis, Student Identification with the Consumer Relations Board at Kansas State University, (Manhattan, 1974).

CLIENT EVALUATIONS OF THE SERVICES AND EFFECTIVENESS OF COMMERCIAL AND NOT-FOR-PROFIT CREDIT COUNSELING AGENCIES

Ms. Virginia B. Langrehr*

There is a debate over whether the not-for-profit or commercial credit counseling agency can best serve debtor needs. This study sought to determine the clients perception of and satisfaction with the service levels of the agency which they patronized. Client use of money management techniques was also explored. The two types of credit counseling agencies (profit and not-for-profit) selected for this study had multiple offices in a large metropolitan area. Analysis of the data uncovered no significant differences between client perceptions of or satisfaction with the services of the two types of credit counseling agencies. Also there were no significant differences in client knowledge of or use of money management techniques.

Purpose

There is an acrimonious debate over whether the not-for-profit or commercial credit counseling agency can best serve debtor needs. There are those who are convinced that the only system that is workable and fair is the not-for-profit service funded by the community and/or credit grantors. It is argued that since the commercial agencies are profit motivated, these agencies will provide little educational or counseling service to their debtor clients. The agencies will attempt to minimize their costs by cutting out efforts to educate their clients in improved money management techniques.

The other view of community credit counseling services is based on the free enterprise system and affirms that financial counseling can best be provided on a fee for services rendered basis. Some in the industry believe that pressures from the creditors on the not-for-profit counselors prevents the counselor from performing the educational services with the individual client that are vital to successful rehabilitation. The commercial services are in their opinion more obligated to clients and must satisfy the clients if the agencies are to keep them.

In the past, the most frequent research in the credit counseling industry has been in identifying user characteristics. There has been no previous research which compared the client perceptions of the different types of agencies. Therefore, this study sought to determine if the clients perceived different service

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levels of and satisfaction with the agency which they patronized. Specifically, seven areas of client perceptions were investigated. These areas were: 1) overall satisfaction with the agency's services and operating practices; 2) counselors' activities and helpfulness; 3) client budget and repayment plans; 4) creditor cooperation; 5) education in the use of money management techniques; 6) use of money management techniques; and 7) changes in the use of credit.

Methodology

The two credit counseling agencies selected for this study were chosen in part because their directors manifested interest in research in the field of credit counseling. A second factor for selection of the two agencies was that both had a number of branch offices in one metropolitan area. Several of these offices were in close proximity to each other and thus were assumed to serve the same geographic market.

The selection of clients from each agency was completed in the same manner for both samples. Each of the five branch offices for each agency kept an account ledger for recording the name of each client that came for an interview. One hundred and ninty-six commercial agency clients and 205 not-for-profit clients were randomly selected from these ledgers. This sample size constituted about five to six percent of the total applicants for each of the agencies for the three and one-half year period covered by this study.

A mail questionnaire was developed to elicit client responses. This questionnaire was pre-tested with credit counseling clients and changes were made in wording on several questions to improve clarity. The questionnaire was professionally printed to increase readability and professional appearance and when pre-tested took no more than ten minutes to complete.

The questionnaire was mailed to the clients using addresses obtained from the client records. Each letter was addressed to the individual client and personally signed by the author in an attempt to gain a maximum return. A stamped self-addressed envelope was included with the questionnaire. To improve the return a follow-up letter was mailed to all those clients who had not responded during the first two weeks after the initial letters were mailed. A total of 24 commercial clients and 61 not-for-profit clients completed and returned the questionnaire.

Results

Preliminary analysis of the data uncovered no significant differences between client perceptions of the services of the two types of credit counseling agencies. This finding is conditional though due to the small sample size. When looking at frequency distributions some differences may be inferred.

Client Satisfaction With Agency

The first procedure in the analysis was to determine client satisfaction with the services and operating practices of the agency patronized. Clients were asked to rate the agency poor, fair, good or excellent on eight categories: overall services, counselor, hours of operation, location, privacy, counselor availability, teaching client to manage money, and creditor relationships (Table 1). These categories were selected on the assumption that they were the factors most likely to affect consumer satisfaction with an agency's services and operating practices.

Overall Evaluation of Each Agency

Although no significant differences existed in client ratings of the two agencies on these eight factors some percentage differences were apparent. In rating hours of operation none of the commercial clients rated the agency below fair while five percent of not-for-profit clients gave a poor rating. This was due to a real effort made by the commercial agency to maintain a broader spectrum of open hours. Their offices were more likely to be open at nights and half days on Saturday. Conversely, while the not-for-profit agency was open fewer hours, they placed emphasis on the need for privacy in counseling. From observing the office layouts at the commercial agency this factor appeared to be of less concern. Client ratings of privacy bear out the observation with 21 percent of commercial clients rating the agency as poor on this aspect. Only 1 percent of not-for-profit clients gave a poor rating on the basis of privacy.

The factor receiving the poorest rating for both agencies was that of teaching the client to manage money. The failure to find a significant difference on this factor may be the most important finding of the study. In the initial interview with the Directors of the programs a philosophical difference on the importance of the teaching role of the agency was expressed. Given the expressed objective by the not-for-profit agency director to educate the client and the objective of the commercial agency director to alleviate crisis problems and turn the program back to the client, it was surprising to find clients rated the agencies so similarly on this factor. The greatest percentage difference did come at the good rating level with 18 percent more not-for-profit clients giving this rating. There was only a 10 percent difference at the poor rating level, however, and none at the excellent level (Refer to Table 1).

Evaluation of Counselor

The most personal contact the client had with the agency was with the counselor. The characteristics of the counselor most

likely to affect client satisfaction were assumed to be friendliness of the counselor and counselor's time available for the client. Again no significant differences were found between respondent groups on the basis of counselor characteristics. For the most part counselors of both agencies were perceived as very friendly and in general were only sometimes or never rushed in their dealings with the client (Table 2).

Table 1. Client ratings of services offered by financial counseling services.

Service	Excellent Com.[1]	NFP[2]	Good Com.	NFP	Fair Com.	NFP	Poor Com.	NFP	No Answer Com.	NFP
	No.(%)	No.(%)	No.(%)	No.(%)	No.(%)	No.(%)	No.(%)	No.(%)	No.(%)	No.(%)
Overall service	11(46)	21(34)	6(25)	25(40)	4(17)	9(15)	1(4)	5(8)	2(8)	1(2)
Counselor	11(46)	27(44)	5(21)	19(31)	3(13)	8(13)	2(8)	7(12)	3(12)	- (-)
Hours of operation	9(38)	12(20)	10(42)	27(44)	2(8)	18(29)	-(-)	3(5)	3(12)	1(2)
Location	11(46)	16(26)	8(34)	25(41)	1(4)	14(23)	2(8)	6(10)	2(8)	- (-)
Privacy	8(33)	31(51)	7(29)	20(33)	3(13)	9(15)	5(21)	1(1)	1(4)	- (-)
Availability of counselor	11(46)	17(28)	9(38)	22(36)	1(4)	12(20)	2(8)	10(16)	1(4)	- (-)
Teaching client to manage money	6(25)	15(25)	3(13)	19(31)	4(17)	10(16)	8(33)	14(23)	3(12)	3 (5)
Creditor relationship	12(50)	28(46)	3(13)	17(28)	5(21)	9(15)	2(8)	6(10)	2(8)	1 (1)

[1]Com. - Commercial agency

[2]NFP - Not-for-profit agency

Table 2. Client perceptions of counselor by type of agency.

Characteristic[1]	Commercial (number)	(percent)	Not-for-profit (number)	(percent)
Counselor time				
Usually rushed	1	4	9	15
Sometimes rushed	7	29	26	42
Never rushed	7	29	15	25
No response	9	38	11	18
Total	24	100	61	100
Friendliness of counselor				
Very friendly	16	66	39	64
Friendly	3	13	12	20
Not friendly	2	8	-	-
No response	3	13	10	16
Total	24	100	61	100

[1]No significant difference was found at the .05 level on either variable.

Client's Budget

Perhaps the single most crucial factor in determining a client's long term success with a debt management program is the quality of the budget developed with the client. While budgets must be designed to significantly reduce the client's debts, they must allow an adequate living allowance if the family is to continue with the plan for any extended period. One of the significant differences between the agencies was the time a client stayed with each agency. Compared to not-for-profit clients, commercial clients stayed with their agency a much shorter period. It was assumed that a possible reason for the early termination of the

commercial client was the severity of the client budget. However, no significant difference was found when clients were asked to rate the budget they were on while utilizing the debt counseling services. Some differences in percentages do exist, with 17 percent of commercial clients and five percent of not-for-profit clients reporting they were unable to follow their budgets (Table 3).

Table 3. Client perception of budget developed for use and creditor pressure by type of agency used.

Characteristic[1]	Commercial		Not-for-profit	
	(number)	(percent)	(number)	(percent)
Budget developed				
Easy to follow	10	42	36	59
Hard to follow	9	37	22	36
Unable to follow	4	17	3	5
No response	1	4	-	-
Total	24	100	61	100
Credit pressure				
Frequent pressure	4	17	13	21
Occasional pressure	13	54	31	51
No pressure	6	25	16	26
No response	1	4	1	2
Total	24	100	61	100

[1]No significant difference was found at the .05 level on either variable.

Client Perception of Credit Cooperation

The problem of early termination, withdrawal from the program before significant progress is made in reducing the debt load, was expressed by both agency directors. In both instances it was assumed that elimination of creditor pressure was a prime factor contributing to early termination. To some extent the data support these assumptions. Approximately one-fourth of the clients reported they experienced no further pressure from creditors once they had begun a debt repayment program. No significant differences were found between clients' perceptions of creditor pressure between the two agencies. This perhaps implies that the financial support of the not-for-profit agency by the creditor community does not give its clients an advantage in dealing with creditors (Table 3).

Client Education

An attempt was made to determine specific educational concepts that clients felt they learned from the counseling agency (Refer to Table 4). The six concepts that were assumed to be most likely taught during the debt management program were basic money management skills, following a plan, comparing credit cost, comparison shopping, food buying, and reducing living cost. As might be expected, the largest percentage reporting they had learned anything from the agencies reported learning to follow a plan. No significant differences existed between the two agency's clients in reporting concepts learned.

Table 4. Client perceptions of educational services of financial counseling agencies.

Concept	Commercial		Not-for-profit		Significance Level
	(number)	(percent)	(number)	(percent)	
Money management					
Learned	4	17	20	33	.21
Not learned	20	83	40	67	
Total	24	100	60	100	
Follow a plan					
Learned	7	29	23	38	.59
Not learned	17	71	37	62	
Total	24	100	60	100	
Compare credit cost					
Learned	5	21	8	13	.60
Not learned	19	79	52	87	
Total	24	100	60	100	
Comparison shop					
Learned	1	4	11	18	*
Not learned	23	96	49	80	
No Response	-	-	1	2	
Total	24	100	61	100	
Food Buying					
Learned	1	4	9	15	*
Not learned	23	96	51	83	
No response	-	-	1	2	
Total	24	100	61	100	
Reduce living cost					
Learned	4	17	19	32	.60
Not learned	20	83	41	68	
Total	24	100	60	100	
Received written material from agency					
Yes	6	25	26	44	.26
No	18	75	33	56	
Total	24	100	59	100	

*No chi square run because cell sizes were too small.

Perhaps the most serious question raised by this study is how to increase the quality and amount of education provided to families utilizing credit counseling services. The smallest percentage of clients that reported learning how to compare credit cost used the not-for-profit agency. This gives some credence to the challenge that these agencies do not have a commitment to help clients deal with the credit system.

While literature was frequently available to the clients in the waiting rooms of both agencies, the higher percentages of not-for-profit clients that reported receiving literature attest to the more frequent availability of material in the not-for-profit agency offices.

Client Use of Money Management Techniques

The success of an educational program can best be measured by changes in individual behavior. Although no record was available of client management practices prior to seeking assistance from the agency, it was of interest to see what practices were being followed after the program. No significant differences were found in the practices reported by clients of the two agencies.

Larger percentages of not-for-profit clients made a budget, kept records of expenditures and more often shopped with a list than did commercial clients. Thus in practice these clients may have gained more from the agency than they consciously reported (Table 5).

Table 5. Current money management practices of clients by type of agency.

Money management practice	Commercial		Not-for-profit		Significance level
	(number)	(percent)	(number)	(percent)	
Made a budget					
Once	10	50	12	23	.09
Twice	2	10	8	15	
Three or more	8	40	32	62	
Total	20	100	52	100	
Kept records of expenditures					
Once	8	40	19	33	.83
Twice	2	10	5	9	
Three or more	10	50	33	58	
Total	20	100	57	100	
Shopped with a list*					
Once	1	4	-	-	
Twice	1	4	-	-	
Three or more	13	54	46	75	
No response	9	38	15	25	
Total	24	100	61	100	

*No chi square run because cell sizes were too small.

Client Use of Credit

Rehabilitation of the client in the use of the credit market is a goal of both agencies. No significant differences exist between the clients of the two agencies as related to the use of debt after initiating a debt counseling program (Table 6). However, of the 42 times the commercial clients applied for credit, they were refused 22 times or 52% of the applications were refused.

Table 6. Client use of credit market after using financial counseling service.

Number of times	Commercial		Not-for-profit	
	(number)	(percent)	(number)	(percent)
Applied for credit[1]				
0	11	46	28	46
1	4	17	11	18
2	4	17	7	12
3	1	4	8	13
4	-	-	4	7
5	1	4	2	3
6	-	-	-	-
7	2	8	1	1
8	1	4	-	-
Total	24	100	61	100
Refused credit[1]				
0	16	67	35	57
1	3	13	12	20
2	2	8	7	12
3	1	4	3	5
4	-	-	2	3
5	1	4	2	3
6	-	-	-	-
7	1	4	-	-
Total	24	100	61	100

[1]No significant differences were found on the basis of credit use between clients of the two agencies at the .05 level.

Note: Of the 42 times the commercial clients applied for credit, they were refused 22 times or 52% of applications were refused. Of the 73 times the not-for-profit clients applied, they were refused 53 times or 73% of the applications.

Of the 73 times the not-for-profit clients applied, they were refused 53 times or 73% of the applications. No difference existed in the extension of credit to the two groups by specific credit lenders (Table 7). Banks, credit unions, finance companies, friends, and relatives all extended some credit to former or current clients of both agencies.

Table 7. Extension of credit to clients after use of counseling service.[1]

Sources of Credit	Commercial		Not-for-profit	
	(number)	(percent)	(number)	(percent)
Bank				
0 times	20	83	54	89
1 time	3	13	3	5
2 times	1	4	3	5
3 or more	-	-	1	1
Total	24	100	61	100
Credit union				
0 times	14	59	48	79
1 time	6	25	8	13
2 times	2	8	3	5
3 or more	2	8	2	3
Total	24	100	61	100
Finance company				
0 times	19	79	54	88
1 time	4	17	3	5
2 times	1	4	3	5
3 or more	-	-	1	1
Total	24	100	61	100
Friends				
0 times	16	67	41	67
1 time	2	8	5	8
2 times	4	17	7	12
3 or more	2	8	8	13
Total	24	100	61	100
Other sources				
0 times	23	96	55	90
1 time	-	-	1	2
2 times	-	-	3	5
3 or more	1	4	2	3
Total	24	100	61	100

[1]No significant difference was found on these credit use factors at the .05 level.

Half of the client respondents no longer had charge cards. No significant difference existed in the number of credit cards held between clients of the two agencies. Likewise, no significant difference existed between those clients with cards that paid their entire charge balance each month and those that did not pay the entire balance (Table 8).

Table 8. Use of charge cards by agency used.

Characteristic	Commercial		Not-for-profit	
	(number)	(percent)	(number)	(percent)
Number of cards				
0	12	50	33	56
1-3	6	25	20	34
4 or more	6	25	6	10
Total	24	100	59	100
All charges paid in full each month				
Yes	7	58	15	58
No	5	42	11	42
Total	12	100	26	100

Summary

The analysis of the data has uncovered no significant differences between client perceptions of the services of the two types of credit counseling agencies. This finding is conditional, though, due to the small sample size.

Generally, clients of both agencies gave their agency favorable ratings. The differences in ratings appeared to be due to each agencies hours of operation and privacy provided rather than specific counselor habits. Clients of the not-for-profit agency gave their agency a higher rating in its overall money management educational efforts than did the commercial clients. Also, there was a greater percentage of not-for-profit than commercial clients who believed they learned and repeatedly used money management concepts. Also, a propensity to use money management techniques more frequently was found among not-for-profit clients. However, these differences were not significant. Finally, clients from both agencies had a similar propensity to reuse or not reuse credit. Of those who did use credit again, there was similar success or failure in the reuse of credit.

Implications

The findings of this study do not completely support the proponents or critics of each agency. Based on consumer perceptions each agency may be performing its tasks satisfactorily.

The most important contribution of this study is in the general content of determining consumer satisfaction and basing beliefs and regulations on consumer experiences. Where possible, and there are few situations where it is not possible, the defense or criticism of an industry or practice should be based on consumer experience. Policy and regulations should be based on consumer experiences and perceptions and not on the policy makers or regulators experiences or beliefs.

Further, a real need for educating users of financial counseling agencies to basic concepts of money management was indicated. To accomplish this goal the development of programs to first train counselors in financial management techniques and basic money management skills is needed. Then these knowledgeable counselors can help clients better manage their financial activities.

SATISFACTION AS A MEASURE OF CONSUMER
PROTECTION AGENCY ACCOUNTABILITY AND EFFECTIVENESS

Drs. M. D. Bernacchi, Ken Kono
and Jack Smith*

Using a consumer-satisfaction survey as a means of
measuring effectiveness, researchers found that
Wayne County (Michigan) Consumer Protection Agency
should encourage consumers who have complaints to
become involved in the resolution process, should
obtain refunds when possible, quickly dispose of
complaints, and improve the processing of complaints.

Background/Introduction

To evaluate the success or failure of any program, private or
public sector oriented, performance measures must be made.
The measures most often identified as being synonomous with per-
formance measurement are efficiency and effectiveness.

Program evaluation has typically relied on the use of effici-
ency measures (i.e., output per time period) rather than mea-
sures of effectiveness. This reliance is primarily due to the
perceived difficulty in measuring program effectiveness which
often demands the "creative" use of different variables and
measurement techniques. Herein, however, lies the heritage
for accountability. For regardless of the difficulty of var-
iable designation and measurement, in the final analysis, ac-
countability must always include measures of effectiveness.
To do less would be to deny the very purpose and/or objectives
of any program, regardless of its sector orientation.

The public sector, however, has been particularly slow in res-
ponding to the need for performance measurement in general and
effectiveness measures more specifically. Nevertheless, progress
is being made.

Purpose

This empirical investigation uses but one method to determine
public sector (county supported consumer protection agency)
effectiveness, the citizen (complainer) survey; and but one
method to measure effectiveness, complainer satisfaction.

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In today's marketplace, a very strong case can be made for the aforementioned measure of public sector effectiveness being consumer satisfaction. More specifically, if consumer satisfaction is the acknowledged benchmark for the private sector product and service marketplace, should it not also be the benchmark for the consumer complaint resolution marketplace? It is felt that the answer to that question is an unequivocal yes.

While a number of studies have profiled both disenchanted consumers,[1] their attitudes towards business and marketplace practices[2] as well as those who actually file consumer complaints,[3] no study has yet attempted to discover the satisfaction consumer complainers have with the complaining process or complaint resolution.

For the reported empirical study, complainer satisfaction with the services of consumer protection agency was determined and then related to the simplified complaining process model noted below:

General Category of Complaint Filed	Complainer Involvement	Type of Resolution	Satisfaction
1. Product	1. Yes	1. Refund/ Desired	1. Yes
2. Product-Service	2. No	2. Other	2. No
3. Service		3. Referral	

Procedures

A random sample of 1400 recent Wayne County Consumer Protection Agency (WCCPA) complainers were drawn from WCCPA files and interviewed by telephone in February, 1977, with 1188 usable responses being obtained. The importance of the WCCPA cannot be stressed enough since it was one of the first county consumer protection agencies in the country and because its population is one of the five largest county populations in the United States.

Data were gathered concerning the above noted complaining process model; they were then coded, keypunched and analyzed primarily using cross-tabulation analyses with the SPSS program.

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+---------------------------------------------------+
|         COMPLAINING PROCESS VARIABLES             |
|                                                   |
|                 Complaint Type                    |
|                                                   |
| Product          -  44%  (523)                    |
|                                                   |
| Product-Service  -  30%  (356)                    |
|                                                   |
| Service          -  26%  (309)                    |
|                                                   |
|                    100% (1188)                    |
|                                                   |
|                   Involvement                     |
|                                                   |
|        Yes  -  45%  (534)                         |
|                                                   |
|        No   -  55%  (654)                         |
|                                                   |
|                100% (1188)                        |
|                                                   |
|                 Resolution Type                   |
|                                                   |
| Refund/  -  39%  (463)                            |
| Desired                                           |
|                                                   |
| Other    -  23%  (270)                            |
|                                                   |
| Referral -  38%  (455)                            |
|                                                   |
|                100% (1188)                        |
|                                                   |
|                  Satisfaction                     |
|                                                   |
|        Yes  -  59%  (701)                         |
|                                                   |
|        No   -  41%  (487)                         |
|                                                   |
|                100% (1188)                        |
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