

Profile of a Third Party Agency Hotline's Callers

Understanding the types and characteristics of people who make inquiries and complaints is an important part of a complaint handling agency's maintenance of their market position. This study investigated a third party agency by surveying a sample of consumers calling into the agency's hotline. Information regarding their reason for calling, the outcome of their call, how they heard about the agency, as well as demographic information was collected. A profile of the typical telephone caller is shared. Implications for researchers and agency personnel are also explored.

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Introduction & Literature Review

Improving service to consumers is important regardless of business type. Complaint handling agencies funded by government funds are in a unique position in that they often must maintain their "market position" to secure and justify their need to their superiors. As a result, the "evolving customer base brought about by geographic, demographic, and life-style variance must be monitored" (Lepak, 1998, pg. 121). This is especially true for third party agencies (defined as "an individual or organization who is external to the consumer who initiates redress and is not directly involved in the dissatisfying transaction" (Singh, 1988)). The area of third party complaining behavior is meager at best because consumers are less likely to complain to third parties. Even less is known regarding complaints to specific third parties, such as consumer agencies. Most of third party complaint data are so inadequate, analysis by sector or industry is impossible (English & Hogarth, 1997).

Understanding the types and characteristics of people who call-in for inquiries and complaints is an important part of a complaint handling agency's maintenance of their market position. It is especially important to understand minority consumers who may be more vulnerable in the marketplace due to a lack of understanding of laws, or naive trust in sellers. (Andreasen & Manning, 1990; Bakus et al., 1991). Vulnerable consumers often have more to lose if something goes wrong with a transaction.

Past research has looked at demographic differences among those who seek third party redress. Some debate is evident regarding differences in the complaining behavior of men and women. Some researchers purport that men are more likely than females to seek third party redress from a consumer agency (Strahle & Day, 1984; Tipper, 1997). Others suggest that females are more likely than males to seek third party redress regarding complaints with transportation items, financial services, and insurance products (Duhaime & Ash, 1979).

With regard to age, contradictory findings have also been reported. Bernhardt (1981) found that older people are more likely to seek third party redress because they have more market experience and are more confident that their dissatisfaction can be resolved. However, Bearden (1983) and Duhaime and Ash (1979) reported that older people are less likely to complain (i.e., younger people are more likely to seek third party redress). To add to the confusion, Tipper (1997) found that younger people are more likely to seek redress from a consumer agency, but not from a third party in general.

Income and education tend to be correlated with each other. Researchers primarily agree that consumers with higher education and income are more likely to seek third party redress (Bearden, 1983; Duhaime & Ash, 1979). However, Tipper (1997) reported that more affluent consumers with higher incomes are more likely to seek redress from a consumer agency, but not from a third party in general.

Minority status is an important factor in understanding who complains. Foxman and Raven (1994) found that Asians are more likely to seek third party redress than non-Asians. The authors report that Asians may feel that their complaints will be more effective when using the a third party authority such as a consumer agency (Foxman & Raven, 1994). Latino complaining behavior was studied by Bakus, Bligh, and Cornwell (1991). They found that of the very limited sample of Mexican-Americans they studied, complainers tended to have higher incomes, but lower levels of education when compared to other Mexican-Americans.

Consumer satisfaction and complaint behavior is of interest to businesses, consumers, and researchers alike. It is important to understand the demographics of complainers as well as how their complaints are handled, the resulting outcome, and their overall impressions. Results can provide insight to all parties involved.

Research Methodology

Data were collected from a third party agency in a large urban city. This agency is a primary complaint handling agency for consumer-vendor complaints. They receive approximately 300,000 calls per year on their consumer hotline. Approximately 15% of the calls are from Spanish speaking consumers. Many callers are asking for simple information, need a referral phone number, or have legitimate complaints to file. All calls are answered by a trained consumer counselor, in the appropriate language.

During a one week period in May 1999, a convenience sample of consumers calling the hotline were surveyed. One counselor per shift was trained on data collection. After the consumer's question was answered, they were asked to participate in our study. A total of 284 callers answered the survey.

Results

Results show that the average age of callers is 41 years old. Fifty-five percent of callers were female. Average yearly income was between \$20,000-29,999. Forty percent of the sample were married, 30% were single, 15% were divorced or separated, and 3% were widowed. Regarding race, the majority were white (36%), while 23% percent were Latino, 12% Asian, and .7% were Native American. English was the primary language for 70% of callers, while Spanish and Chinese was the native language for 13% and 4% of the callers, respectively. Forty-seven percent of the population had an Associate's Degree or higher, 21% had only a High School education, and 7% had only a grade school education.

Most of the callers heard about the agency through the telephone book or operator. Another 34% were referred by an agency or were told by friend or family. The primary complaint of callers (17%) regarded landlord-tenant issues. The second most common complaint was problems with service (14%). These "service" problems ranged from dissatisfaction with a fast food restaurant, to quarrels with a dry cleaner, to the cancellation of a wedding dress order. Six percent of callers had complaints about car service or repair.

For the most part (33%) the caller's questions were handled by the counselor, no follow up was needed. For 25% of callers, their problem did not fall under the jurisdiction of the agency and they were referred to the appropriate organization. Seven percent of callers had legitimate complaints, falling under the jurisdiction of the agency, and so were sent a formal complaint form. Another three percent of callers were sent an information sheet, while the remaining three percent refused to participate in the survey.

Discussion

Results indicate that consumers who called into this hot-line were typical in terms of income, education, race, and age. The primary reasons for calling are important to agencies serving the public. Problems with service and landlord-tenant relations accounted for 21% of all calls. The phone system has pre-recorded tapes that consumers can listen to 24 hours a day. Many of these questions could be answered by listening to these recordings. The reality for most agencies is, however, that consumers feel a need for personal contact. This has implications for the worker pool of such agencies. In this agency, a volunteer group has been organized and trained, and they perform most of the telephone counseling functions.

Most of the calls (33%) were answered and no further action was required. However, 25% of callers were referred to another resource. It could be possible that a screening mechanism or an expanded phone tree could be added. This would allow a caller to push a button if their complaint does not fall under the agency's jurisdiction, and they could access the appropriate agency's phone number. Perhaps this could reduce the number of people required to handle calls.

This study found that while many calls were handled by counselors, much of the action was advisory (i.e., counselors answered questions). Much of the "phone traffic" could have been handled by the pre-recorded messages. Unfortunately, in this age of booming technology, people still hesitantly use phone trees. Perhaps the "old fashioned way", talking to a live person on the phone, is the most effective mechanism.

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Endnotes

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