

CONSUMER SATISFACTION AND REDRESS WITH A GOVERNMENT THIRD-PARTY COMPLAINTS AGENCY

Rebekah Russell-Bennett, Queensland University of Technology
Charmine E.J. Härtel, University of Queensland
Judy Drennan, Queensland University of Technology

ABSTRACT

As governments around the world adopt a marketing orientation, the importance of consumer satisfaction to the effectiveness of the organization is being recognized. While some investigation of satisfaction with a government agencies' service has occurred, there is little examination of satisfaction with a government agency that acts as a third-party on the behalf of consumers to gain marketplace redress. Given the number of third-party complaints is increasing as a result of internet access to complaint channels, this research is a timely investigation. This study reports the findings of a survey of 454 complainants to an Australian Government agency: the Office of Fair Trading (OFT). The findings show that satisfaction with the service was subjectively experienced, based around individual expectations of the redress and satisfaction levels were higher when the redress sought was financial compared with non-financial forms of redress such as apology.

INTRODUCTION

In the past decade, many public sector organizations around the world have adopted a marketing orientation (Andreassen and Wallin 1994; Paarlberg 2007; Van Der Hart 1990). Implementing the marketing concept in the public sector has required a shift in focus from a traditional production orientation to a consumer needs orientation. In order to assess the extent to which consumer needs are being met, the public sector has had to

consider the issue of consumer satisfaction (Dann and McMullan 2003). The difficulty in achieving this shift, however, is that there is limited research available on consumer satisfaction with government services. Consumer satisfaction is an important goal for the public sector; it enables the public sector to compare itself favorably with the service of private sector organizations, reduces complaints from taxpayers and improves the working environment of its employees.

In the event of consumer dissatisfaction, there are three types of consumer complaints: private (i.e., complaining to family/friends, which is not normally focused on resolving the complaint); voice (i.e., complaining to the supplier) and third-party (Singh 1990). Third-party complaints are 'behaviors that are directed toward one or more agencies that are not directly involved in the exchange relationship' (Singh 1989), p.333). These are considered the most effortful of all complaint behavior and are largely considered a last-resort action (Singh 1989). Third-party complaints are the main type of market feedback received by consumer protection agencies, and despite their lack of marketplace representativeness (Bearden 1983) they are a valuable measure of business performance.

In this article, we address this gap in knowledge and practice regarding consumer satisfaction with the services of a government third-party agency that handles consumer complaints. We present findings from a study of the Queensland Office of Fair Trading (OFT), which serves a function similar to that

of consumer protection agencies found in most developed countries: to resolve disputes and investigate consumer complaints relating to purchases from businesses in the Australian state of Queensland. Often, the outcome sought by consumers is some form of redress or compensation for a service or product failure that has been experienced. Redress is concerned with restoring the consumer to their prior state. This restoration can come in both financial (e.g., money or in-kind goods and services such as vouchers) and non-financial (e.g., apology or validation) forms.

Given this, the purpose of this research is to identify how attributes of the service process, redress and consumer characteristics relate to overall consumer satisfaction for a government agency that is acting as a third-party to resolve complaints with suppliers. Key contributions of this study include evidence of differences in satisfaction towards financial and non-financial redress, and evidence of the impact of different types of redress on satisfaction in a third-party complaints context.

Consumers tend to engage in a hierarchical process of actions following a dissatisfactory service experience. Private and voice complaints are classified as 'easy options'. These are usually the first strategy used by consumers to resolve a complaint. Third party complaints are considered 'hard' actions because they take more effort; consequently, these complaints are less frequent (Hogarth, English and Sharma 2001; Singh and Wilkes 1996). Consumers who complain to a government third-party have usually attempted at least one of the 'easier' strategies and are seeking assistance from a regulatory authority to gain resolution. There are, however, instances where consumers may bypass voice complaints and go straight to a third party. This may be due to the perceived frustration associated with trying to gain redress from the original party (Mason and Himes 1973).

An examination of the limited research on consumer service in the public sector (Singh 1990) highlights that most

studies investigate service experiences that are under the control of the government agency (e.g., medical services, education or law enforcement). Some government agencies, however, do not directly control and/or supply a core service to consumers but rather act as an intermediary in the service-chain and as a third-party in dispute or complaint resolution. In these contexts, the benefit sought by the consumer cannot be directly supplied by the government agency; rather, it is negotiated with another organization on behalf of the consumer, complicating the management of consumer satisfaction. Examples of these types of agencies include the *Consumer and Governmental Affairs Bureau* of the Federal Communications Commission in the United States, state-based Offices of Fair Trading in Australia, and the *Medicines and Healthcare Products Regulatory Agency* in the United Kingdom.

There are a number of unique challenges that government third-party agencies face in satisfying their consumers. In many cases, consumers complain to government agencies when there is no legal breach and thus are unlikely to obtain legal recourse, which may lead to dissatisfaction. In such situations, it is difficult to satisfy the consumer even when every possible effort is made by the government agency.

Data for this research were obtained from the Queensland OFT in Australia. As part of its mission to ensure marketplace integrity for businesses and consumers (DTRFT 2003), a primary function of the OFT is to provide dispute resolution and to investigate consumer complaints relating to purchases. Consumers are able to lodge a formal complaint with the OFT regarding problems experienced with Queensland business where they perceive unfair trading occurred. As part of this process, the OFT requires consumers to attempt to resolve the problem directly with the business before they contact the OFT.

The impact of the OFT on Queensland society is significant. In 2006-07, approximately AU\$5 million in redress and savings was obtained on behalf of consumers (with approximately 11,000 complaints received) (DTRFT 2007). The typical complaint involved product categories such as personal household items (i.e., appliances, mobile phones and computers), real estate and motor vehicles. Financial products are handled at a national level by other regulatory bodies.

As part of the OFT's commitment to consumer service, it has commenced measuring consumer satisfaction with its service delivery. The key attributes of OFT service delivery identified by the Queensland Government relate to the various dimensions of the service such as interaction with staff and timeliness of service.

The article is structured as follows. First, we review the theoretical background of satisfaction in order to derive its implications for a third-party context. Second, we introduce the literature on redress and complainant characteristics, linking it with research on satisfaction. From this discussion, we develop five hypotheses. Next, we outline the method of the study. Finally, the results are reported and implications discussed.

THEORETICAL BACKGROUND

The theoretical background comprises three sections. The first section reviews the literature on satisfaction and its relevance to a government third-party agency, and then poses the first hypothesis. The second section introduces literature on redress and poses three hypotheses. The final section discusses literature on complainant characteristics and satisfaction, and poses the final hypothesis.

Satisfaction and Government Third-Party Agencies

There are limited published studies on consumer satisfaction in the public sector. Further, most of these studies have focused on

satisfaction with healthcare and medical services (Choi, Cho, Lee, Lee and Kim 2004; Jimmieson and Griffin 1998; Spicer 2002). There is little evidence of any marketing studies that investigate satisfaction with a government agency that acts as a third party to resolve consumer complaints. A differentiating feature of satisfaction with a third party compared to satisfaction with the supplier of the service is the potential lack of consumer ability to distinguish the objects of their satisfaction. They may confuse satisfaction with an outcome (i.e., redress obtained) with satisfaction pertaining to the service provided by the agency in obtaining this outcome. Thus, an agency may find its satisfaction ratings over- or under-inflated based on redress outcomes rather than on the actual service delivered. A number of government agencies have increased the ease of access to the complaint channel by using online complaint forms. Prior research has identified that ease of access to complaining influences the volume of complaints and the satisfaction with the outcome (Richins and Verhage 1985).

Given the financial benefit these agencies provide for consumers, the role they play in enforcing integrity in the marketplace, and their economic impact with respect to consumer and business confidence, it is important for government third-party agencies to understand the key service attributes that give rise to consumer satisfaction with the service delivered by the agency.

One of the few academic studies on satisfaction with a third-party complaints agency focuses on satisfaction with complaint management (Owens and Hausknecht 1999). This research investigated complaint handling processes within the Better Business Bureau (BBB) and found that the difficulty of complaining to a third party influenced satisfaction with the complaint process. While this research provides useful information regarding satisfaction with third-party complaint handling processes, the BBB is a private organization and has no regulatory authority to obtain redress for consumers

(Owens and Hausknecht 1999; Goodwin, Mahajan and Bhatt 1979).

In general, consumer satisfaction is an evaluation or cognitive appraisal of an object (Oliver 1997): either the entire service (i.e., overall satisfaction) or with attributes of the service (i.e., attribute-level satisfaction). Typically, both of these are used together with the overall satisfaction score providing a

summative indicator and the attributes providing diagnostic information that can be used for marketing interventions. The attributes of the government service being investigated in this research are detailed in Table 1. These attributes were identified by the Office of Fair Trading as a result of experience and informal customer research.

Table 1

Attributes of Satisfaction with Office of Fair Trading Service Delivery

Attribute
With the number of staff you spoke to or dealt with before receiving the service you needed
The staff's knowledge of their subject
The helpfulness of the staff
The politeness of the staff
The length of time you waited before you spoke to or received contact from a staff member
The outcome received or achieved (if relevant)
The ease with which you could find the Fair Trading Office (if relevant)
The cleanliness and tidiness of the Fair Trading Office (if relevant)

Satisfaction can also be measured at either a cumulative level (i.e., satisfaction with all prior experiences of the service) or a transaction-specific level (i.e., satisfaction with a particular service encounter) (Jones and Suh 2000). While some authors posit that cumulative satisfaction is a more valuable indicator than transaction-specific satisfaction (see Anderson, Fornell and Lehmann 1994), it really depends on the nature of the service interaction. In the case of government third parties, unless the consumer is a prolific complainer, the interaction between the consumer and the agency is likely to be discrete and infrequent (Owens and Hausknecht 1999). Even where consumers have experienced prior interaction, there is likely to be a lengthy time period between contacts. Therefore, transaction-specific satisfaction is a more relevant measure in this context.

Government third parties need to be able to identify the relationship between satisfaction with the attributes they can control (e.g., the knowledge levels of staff

and satisfaction with the elements they cannot control. If satisfaction with service attributes influences overall satisfaction, then this poses opportunities for public sector managers to increase overall satisfaction. To date there has been limited investigation of this relationship (e.g. Bendall-Lyon and Powers 2004).

Attributes of satisfaction can be classified into two types: structure (i.e., tangible elements of the service such as the physical environment) or process (i.e., interpersonal elements of an interaction) (Gronroos 1995). Given that consumers interact remotely with the OFT service by registering their complaints using the telephone, written forms or the internet, the attributes relevant to investigation are process attributes. These included the politeness, helpfulness and knowledge levels of staff. Prior research in satisfaction with commercial services shows that attribute-level satisfaction is positively related to overall satisfaction (Bendall-Lyon and Powers 2004; Wu, DeSarbo, Chen and Fu 2006). We expect this to also be the case for a government service;

thus, we offer the following research hypothesis:

H1: *Satisfaction with service attributes will be positively associated with overall satisfaction with a government third-party service.*

Satisfaction with Redress

Satisfaction with complaint resolution has been an area of interest to consumer affairs practitioners for the past thirty years (see Bearden and Oliver 1985) with many early works focused on consumer affairs rather than marketing. The U.S. Department of Consumer Affairs conducted a landmark study in 1979 created the first major research project in this field (TARP 1979) along with research from the American Council on Consumer Interests (The American Council on Consumer Interests 2009).

There is little research that investigates the relationship between satisfaction with government agency's servicing of third-party complaints and key service outcomes such as redress. Even reviews of the field (c.f. Andreasen 1988; Singh and Howell 1985) summarize research that is drawn from voice complaints rather than from the third-party sector. When consumers make a complaint to a government third party, they are seeking assistance to gain compensation in some form in order to achieve redress (Bearden and Mason 1984; Davidow 2003). Redress is concerned with restoring the consumer to their prior state. Redress occurs in both financial and non-financial forms: financial redress includes money or in-kind goods and services such as vouchers, whereas non-financial redress includes an apology or some form of validation. As research shows that expectations are key to measuring consumer satisfaction (Oliver 1997), it is important to assess whether the redress sought and the redress gained by complainants through the third-party agency improves satisfaction.

Research into consumer complaint behavior has been conducted since the 1970s's when Hirschman first introduced his economic approach to complaint behavior. In a review of the literature up to the mid 80's, Singh and Howell (1985) summarize the two key perspectives in the field; economic and psychological. Traditionally, research on consumer complaints has adopted an economic (i.e., cost-benefit) approach that focuses on financial outcomes (Singh and Wilkes 1996). Specifically, consumers are assumed to be more likely to complain to suppliers, family or friends and third parties if the amount at stake/lost is high (Bearden and Mason 1984; Hogarth *et al.* 2001; Singh 1989; Singh and Wilkes 1996). However, given the social justice role often ascribed to government agencies, complaints to third parties may not always reflect this approach and thus consumers may complain for non-financial gain.

Motivations for consumers complaining to a government third party have been identified as both economic (Blodgett, Granbois and Walters 1993; Gronhaug and Gilly 1991; Kolodinsky 1995) and non-financial (Halstead 2002; Huefner and Hunt 2000). The non-financial motivations are often a desire to protect other consumers, a punishment for the offending business, a chance to vent frustrations, and an attempt to regain fairness (Frank 1988). Given this, it is possible that consumers engage in effort to complain even when there is minimal or no money at stake. In instances where non-financial redress is sought, consumers are seeking compensation in the form of an apology, an admission of liability or a validation of their position. This form of redress may be desirable when a consumer realizes that they have no recourse for the problem under law, but they still believe an injustice has occurred. If no laws have been broken, however, there is little that a government agency can do for the consumer because the agency has little power to enforce the outcome desired by the consumer. It is

thus likely that consumers will not be satisfied with the outcomes in such situations.

Conversely, if a consumer is willing to make the effort to complain to a government third party and seeks financial redress, it is likely that they will do so on the basis of a breach of law. If a legal breach has occurred, the government third party is able to enforce compensation from the business for the consumer, and the consumer is likely to be satisfied. We propose that there will be a positive relationship between the type of redress sought (i.e., financial or non-financial) and satisfaction. Financial redress is hypothesized to be related to higher levels of satisfaction than non-financial redress. We therefore tender the following research hypothesis:

H2: When consumers seek financial redress, they are more likely to have higher satisfaction levels compared to consumers seeking non-financial redress.

Prior research shows that consumers complain to third parties when the amount at stake (i.e., redress amount sought) is higher (Bearden and Mason 1984). Given the level of effort associated with complaining to a third party, it is expected that consumers will only engage in such action if they are confident that they are entitled to the redress. This is particularly the case for amounts that are of significant monetary value. For amounts of smaller value, it is expected that the confidence level may not be as high; however, consumers may 'have a go' anyway especially if they perceive an injustice has occurred.

Previous studies have identified a strong link between the amount of redress and consumer satisfaction for service recovery contexts other than a third-party complaint (Davidow and Leigh 1998; Spreng 1995; Garrett 1999; Blodgett, Hill and Tax 1997). In a review of studies on complaint outcomes, 21 of the 23 showed a positive relationship between redress and satisfaction. In an

experimental study, Boshoff (1997) demonstrated that the higher the level of compensation, the higher the level of satisfaction. Davidow (2003) proposes a hierarchy of outcomes that affect consumer satisfaction: no redress is likely to result in dissatisfaction, partial redress is better than no redress and full redress is likely to result in high levels of satisfaction. In other words, when consumers are seeking financial redress it is likely that the difference between the amount they seek and the amount they receive will influence their overall satisfaction. This accords with the disconfirmation of expectations approach to satisfaction, which states that satisfaction results when actual and expected performances are the same (Oliver 1997).

The relationship between satisfaction and redress is also moderated by variables such as interactional justice and interpersonal factors. Blodgett, Hill and Tax (1997) found that if people were treated with respect they were more satisfied with a partial refund compared to people who received a full refund but were not treated with the same level of courtesy. Likewise Bechwati, Nasr and Morrin (2003) found that the interpersonal factors of the redress situation reduced the likelihood of dissatisfied customers taking revenge on the service provider.

When there is a lower-order outcome of nil or partial redress, it is likely that the consumer will experience lower satisfaction levels as they have not achieved the goal they were seeking. When there is a higher-order redress outcome, which is full compensation of the amount sought, it is likely the consumer will experience higher satisfaction levels. When considering the redress achieved, we the following research hypothesis is put forward:

H3: Where redress achieved is nil or partial, satisfaction will be lower compared to receiving full redress.

Complainant Characteristics and Satisfaction

Finally, this study also seeks to identify key consumer characteristics that may influence satisfaction, as previous research has identified certain demographic characteristics as an attribute of complainants (Bearden and Mason 1984; Reiboldt 2003; Warland, Hermann and Willits 1975). For example, Reiboldt (2003) investigated complainants' ratings of service from a third-party complaint handling agency and reported that gender, income and ethnicity significantly impacted evaluations.

Previous research indicates that differences in demographic characteristics will influence the level of satisfaction experienced by consumers. For example, older consumers are more likely to be satisfied compared to younger consumers (Westbrook 1980). Some researchers propose that this finding is due to deterioration in information-processing abilities. However, the difference may also be due to greater experience (Westbrook 1980). Thus, we propose the following research hypothesis:

H4a: *Older consumers will have higher levels of overall satisfaction than younger consumers.*

Gender has also been found to influence an individual's level of satisfaction. For example, females tend to have higher expectations when judging the quality of services (Callan and Bowman 2000), which may lead to lower levels of satisfaction in comparison to males. Another study (Laroche, Saad, Cleveland and Browne 2000) revealed that males tend to consider less information when evaluating service cues and take 'shortcuts' in their information processing that may result in greater satisfaction than

female counterparts. Thus, we propose the following hypothesis:

H4b: *Males will have higher levels of overall satisfaction than females.*

Finally, a relationship between income level and satisfaction has also been observed (Scott and Shieff 1993). Researchers found that respondents with incomes in the upper range had lower expectations of interaction speed and accessibility compared to respondents in the lower income range, and therefore have higher levels of overall satisfaction than respondents with low income levels. Thus, we propose the following:

H4c: *Higher income levels are associated with positive overall satisfaction compared with lower income levels.*

METHOD

A survey was conducted amongst complainants to the OFT using computer-assisted telephone interviewing (CATI). A random sample of 760 consumers was selected from a pool of 2786 consumers whose complaint had been finalized in the last twelve months and who had indicated that they would be available for follow-up by the OFT. After the removal of calls to disconnected numbers, answering machines and wrong numbers, a useable sample of 454 consumers was obtained, representing a response rate of 59.7%. Consumers were asked to consider their most recent contact with the OFT when answering questions, so a transaction-specific approach was adopted.

Transaction-specific satisfaction with the attributes was measured using eight items, with five items reflecting the process element of satisfaction (i.e., interaction with staff) and two reflecting the structural element (i.e.,

physical aspects) if it was relevant (see Table 1, repeated below for convenience). Most consumers interact remotely with the OFT by phone or the internet and thus the last two

items had few responses and were not included in the analysis. Again, these items are detailed in **Table 1**.

Table 1

Attributes of Satisfaction with Office of Fair Trading Service Delivery

Attribute

With the number of staff you spoke to or dealt with before receiving the service you needed

The staff's knowledge of their subject

The helpfulness of the staff

The politeness of the staff

The length of time you waited before you spoke to or received contact from a staff member

The outcome received or achieved (if relevant)

The ease with which you could find the Fair Trading Office (if relevant)

The cleanliness and tidiness of the Fair Trading Office (if relevant)

Satisfaction with each attribute was calculated by multiplying the response on a Likert scale (from 1 to 5 for each item) by the level of importance of that attribute (1 being 'not very important' and 5 being 'very important'). Thus, for each item the maximum score was 25 and the minimum score was 1. *Overall satisfaction* was also measured using a five-point Likert scale multiplied by importance, using a single item: 'I'd like you to tell me how satisfied or dissatisfied you were with the overall quality of the service you received'. The satisfaction data were then matched with the OFT data pertaining to that particular complaint to obtain the data for the redress and demographic variables.

Redress type was a categorical variable with two categories: financial redress or non-financial redress. *Financial redress sought* was the amount of money stated on the complaint form as the desired outcome of the complaint. Three variables were used for *redress outcomes*. The first variable was the amount of money obtained as redress. The

second variable was categorical data indicating whether the redress amount represented nil, partial or full redress. The third variable was also categorical and combined the nil and partial options in the previous variable into a single category with another category of full. This was to allow comparison between receiving the requested redress or less than requested. *Demographic information* was obtained from the OFT records of the complaint form. This included age, gender and income categories.

RESULTS

The demographic characteristics of the sample are detailed in **Table 2**. These results show that there were 16% more males in the sample than females and that 69% of the sample were aged between 20 and 50 years of age. Furthermore, 68% of the sample earned \$50,000 or less a year. These demographics are similar to the demographics of the overall population of complainants to the OFT (e.g.,

55% of the population are males compared with 54% in the sample). Thus, the results

may be generalized to the OFT population of complainants.

Table 2

Demographic Characteristics	
Age	
under 20yrs	2% (6)*
20 – 35yrs	33% (128)
36 – 50yrs	35% (135)
51 – 70yrs	25% (95)
71+	5% (18)
Total	100% (382)
Income	
<\$20k p.a.	27% (91)
\$21k - \$50k p.a.	42% (144)
\$51k - \$75k p.a.	19% (65)
>\$75k p.a.	12% (40)
Total	100% (340)
Gender	
Male	54% (212)
Female	46% (182)
Total	100% (394)

*counts (in parentheses) are given next to percentages

As the measures were single-item, reliability tests were unnecessary. Validity tests were conducted on the attribute satisfaction items using factor analysis. The results of these tests, as well as the descriptive statistics of the independent and dependent variables, are shown in **Table 3**. *Overall satisfaction* was measured using a single-item

measure. Attribute satisfaction formed a single factor solution and all items had loadings greater than .3. The Cronbach alpha was .84, explained variance was 58% and all item-to-total correlations exceeded the minimum threshold of .30. Overall satisfaction had a mean of 3.73 (out of 5).

Table 3
Descriptives of Variables

Part 3(a)				
Measure	Factor loading	Range(min & max)	Mean	SD
Satisfaction with the number of staff you spoke to or dealt with before receiving the service needed	.749	1-5	4.17	.942
Satisfaction with staff's knowledge of their subject	.829	1-5	3.97	1.071
Satisfaction with the helpfulness of the staff	.853	1-5	4.09	1.125
Satisfaction with the politeness of the staff	.708	1-5	4.41	.788
Satisfaction with the length of time you waited before you spoke to or received contact from a staff member	.734	1-5	3.92	1.083
Satisfaction with the outcome received or achieved (if relevant)	.666	1-5	3.09	1.576
Part 3 (b)				
Measure	Range (min and max)	Mean	SD	
Redress amount sought	\$0-\$41,000	569.99	2746.28	
Redress amount gained	\$0-\$2800	134.51	373.34	
Part 3 (c)				
Measure	Proportion			
Redress sought- Financial	48%			
Redress sought – non-financial	52%			
Redress outcome type – nil	46%			
Redress outcome type – partial	16%			
Redress outcome type - full	38%			
Redress – loss achieved	40%			
Redress- gain achieved	60%			

Multiple regression (OLS) was used to test the hypotheses. Age, income and gender (as dummy variables) were included as controls. Collinearity was examined and the results indicated a VIF <4, which falls below

the recommended cut-off (Kennedy 2003). The results show support for H1, H2 and H3, but not for the demographic hypotheses (H4a, H4b or H4c).

Table 4
Relationship between Satisfaction Attributes and Overall Satisfaction (H1)

Independent Variables	Standardized Coefficients	Significance Level
Attribute Level Satisfaction Adjusted R ² = 0 .72		
Age: 20-35 years	.099	.403
Age: 36-50 years	.143	.233
Age: 51-70 years	.032	.758
Age: 71+ years	-.008	.889
Gender – Male	-.041	.233
Gender – Female		
Income - \$21K-\$50K p.a.	-.053	.245
Income - \$51K-\$75K p.a.	-.122	.005
Income – more than \$75K p.a.	-.080	.053
Satisfaction with the number of staff spoken to or dealt with before receiving the service	.076	.098
Satisfaction with the staff knowledge of their subject	.345	.000
Satisfaction with the helpfulness of the staff	.145	.008
Satisfaction with the politeness of the staff	-.016	.712
Satisfaction with the length of time before spoken to or received contact from a staff member	.109	.012
Satisfaction with the outcome received or achieved	.392	.000

First, **H1** (*Satisfaction with the service attributes will be positively associated with overall satisfaction of a government third-party service*), which identified the relationship between the independent variables of service attributes on the dependent variable of overall satisfaction, was supported by the data. The results showed a significant positive relationship between overall satisfaction and satisfaction with service attributes ($R^2 = .70$, $F_{14, 223} = 46.853$, $p < 0.001$). Specifically, a significant positive relationship was found between overall satisfaction and four of the attributes, namely staff knowledge ($\beta = .345$, $p < 0.001$), helpfulness ($\beta = .145$, $p < 0.05$), length of time ($\beta = .109$, $p < 0.05$) and outcome achieved ($\beta = .392$, $p < 0.001$) (**detailed in Table 4**). These variables explained 74% of the variance in satisfaction.

Second, **H2** (*When consumers seek financial redress, they are more likely to have higher satisfaction levels compared to consumers seeking non-financial redress (3.87 (SE=0.145) vs. 3.59 (SE=0.152)*) which identified the relationship between the independent variable of financial redress on the dependent variable of overall satisfaction, was tested using regression where demographic variables were added as covariates. The results showed a significant difference in satisfaction based on the type of redress sought after covariate adjustment for demographics (age, income and gender) ($F_{1,312} = 3.944$, $\beta = .110$, $p = 0.0479$).

Third, **H3** (*Where redress achieved is nil or partial, satisfaction will be lower compared to receiving full redress*) identified the relationship between the independent variable of type of redress outcome on the dependent variable of overall satisfaction, was tested using regression where demographic variables were added as covariates. This hypothesis was tested by regression using nil and partial dummy variables with demographics added as covariates. The results indicated that, compared to full redress, customers were less satisfied with nil and partial redress ($F_{2, 170} = 10.38$, $p < 0.0001$), with $\beta = -0.207$ for nil redress and $\beta = -0.150$ for partial redress. There were no significant differences between nil and

partial redress ($p = 0.9971$), but the differences were significant between full and partial ($p = 0.0068$) and between full and nil ($p < 0.0001$). Post hoc tests revealed that the mean satisfaction levels for 'full redress gained' was 4.38 (SE=0.650) and the mean satisfaction level for 'redress which was less than the amount sought' of 3.50 (SE=0.676) whereas for NIL redress was 3.59 (SE=0.643). The data also showed a non-significant relationship between redress amount received and overall satisfaction, which indicates that it is not the amount gained or lost that influences satisfaction but rather whether the consumer achieved the amount they were seeking or not.

When 'satisfaction with outcome received' is added to the model, the relationship between overall satisfaction and redress type becomes non significant ($F_{2,126} = 1.20$, $p = 0.3034$) but 'satisfaction with outcome received' remains significant. 'Satisfaction with outcome received' is strongly related with 'type of redress' ($F_{2,202} = 44.98$, $p < 0.0001$) with full redress yielding a nearly perfect satisfaction with outcome score of 4.59, whereas Nil redress had predictably 'low satisfaction with outcome' mean score of 2.7. Thus the relationship of redress type with overall satisfaction is moderated by satisfaction with outcome.

The impact of the independent variables of demographic characteristics on the dependent variables of satisfaction with the entire service was tested using linear regression, with dummy variables for age, gender and income being regressed on overall satisfaction. The results of the analysis showed no support for Hypothesis 4a, 4b or 4c. However, there were significant gender differences in H4b but in the opposite direction to that hypothesized: females showed higher levels of satisfaction than males ($F_{1, 383} = 6.530$, $p < 0.05$, $R^2 = .017$, $\beta = .129$). There were no significant gender differences in the mean amount of redress sought or received (see **Table 5**).

Table 5
Redress Sought and Obtained by Gender*

Redress	Gender	N	Mean	Min	Max
Redress amount sought	male	212	\$ 666.56	\$ -	\$41,000.00
	female	182	\$ 570.25	\$ -	\$37,841.36
Redress amount obtained	male	206	\$ 145.51	\$ -	\$2,800
	female	179	\$ 128.42	\$ -	\$2,109
Difference in amounts					
-negative means customer received less than requested	male	206	-\$ 540.46	-\$ 41,000	\$ 660
- positive means customer received more than requested	female	179	-\$ 451.39	-\$ 37,841	\$ 940

* no significant gender differences found

DISCUSSION

Despite the call for more research into consumer complaints by consumer affairs researchers (Bearden and Oliver 1985), there has been little recent activity in this field. In particular, there has been little research on satisfaction with the efforts of consumer affairs agencies. This research attempts to answer this call by examining how redress outcome, redress sought, and demographic characteristics relate to consumer satisfaction with a government third-party complaints agency: the Queensland OFT. Key findings show that satisfaction with the service was subjectively experienced and appears to be based around individual expectations of the redress. The overall satisfaction level of 3.73 out of 5 indicates a moderate level of satisfaction and indicates that there are areas for improvement. Further research is needed to identify the aspects of the service for this and in particular to determine if higher satisfaction levels are achievable given that not every customer can be given what they are seeking (redress and damages).

Satisfaction levels were higher when the redress sought was financial compared

with non-financial. This has implications for organizations designing service recovery strategies for all types of complaints.

Satisfaction with attributes of the service provided was associated with greater overall satisfaction, thereby supporting hypothesis 1. Given the transactional nature of the interactions people have with the OFT, establishing the relationship between satisfaction with attributes of the service and perceptions of overall satisfaction increases the generalizability of the current attribute-level results. There were four satisfaction attributes that had significant impact on overall satisfaction: satisfaction with staff knowledge, satisfaction with helpfulness, satisfaction with length of time and satisfaction with the outcome received. While the first three attributes are within the control of the OFT, the last is not. It is expected that satisfaction with outcome would be predictive of overall satisfaction. What is of interest is that three factors that are within the control of the OFT contribute to overall satisfaction after adjustment for the effect of satisfaction with outcome received. This is an opportunity for the third-party agency in terms of managing overall satisfaction levels.

With regard to H2 and H3, the results of the current research provide important insights into consumer attitudes towards third-party complaint handling. It appears that customers who seek tangible compensation (i.e., money) may be easier to satisfy than customers seeking intangible compensation (e.g., an apology) as demonstrated in H2. The observation that money is a key factor for overall satisfaction is consistent with prior research (Davidow 2003), but the post hoc analysis for H3 shows that the dollar amount of redress sought was unrelated to satisfaction. This suggests that an objective focus on monetary outcomes is not an effective explanation for consumer satisfaction with complaint outcomes, which contrasts with the cost-benefit approach to complaint handling (Singh and Pandya 1991) that has been traditionally accepted.

The finding that partial redress is no better than nil redress has interesting implications for service recovery resulting from a complaint. This contrasts with previous research (see Davidow 2003) that suggests that consumers simply seek a solution to their problem and are satisfied with complementary outcomes even if they do not receive the money they originally requested. For instance, Kelly (1979) found that consumers were satisfied with receiving a clothing voucher rather than their money back for faulty clothes.

The support for H3 demonstrated that consumers are more satisfied when they received full redress compared to nil or partial redress. The actual amount obtained is not related to satisfaction; thus, it appears that a justice principle rather than an economic goal is being served. Simply put, what appeared to matter to complainants in the end of the process was whether or not they received what they wanted from their efforts rather than how much they sought. It may be that the redress represents a form of justice and thus it was more the principle of being validated rather than the actual amount being received that mattered. In particular the level of interpersonal justice received may play a role

in the level of satisfaction. Prior research has identified that customers can be satisfied with lesser amounts of redress if they are treated with respect and courtesy (Blodgett, Tax and Hill 1997). The mean score for satisfaction with the helpfulness and politeness of OFT staff were the highest of all the service attributes and thus this may further explain the results.

There were mixed results with regard to the influence of demographics on satisfaction. Overall, the tests of H4 did not provide support for a relationship between age, income and satisfaction. However, the results did indicate that gender was a significant factor, as females report higher level of satisfaction than males despite no significant difference in the amount sought or received. This observation is contrary to the research of Westbrook (1980) and Laroche *et al.* (2000), who found that males are more likely to be satisfied than females.

Anecdotal evidence from the OFT indicates that women use the third-party agency when they are confident of their claim (and thus the likelihood of resolution was higher), whereas men approach the OFT regardless of the justification for their claim (i.e., a 'worth a shot' approach). It is conceivable that because females have higher expectations of service (Callan and Bowman 2000) and consider more information in their processing than males, their complaints may present differently in terms of content (i.e., perhaps more complete owing to the information processed and reported to the third-party complaints agency) and may thus be viewed differently.

There are important managerial implications of these findings for government organizations. Given the findings in this research, it is imperative for third-party service agencies to manage customer expectations regarding the complaint process and especially complaint outcomes. Given that the OFT is not able to control the level of overall satisfaction, only influence this, it is important to manage consumer expectations to ensure that service delivery can either meet

these expectations or educate consumers to alter these expectations.

Staff working in complaint handling within third-party agencies must be informed and well-trained to resist the temptation to place more importance on higher financial claims for redress. No matter how small the amount at stake, complainants were more satisfied with the service from a government third-party complaints agency when the outcome was equivalent or better than what they sought and less satisfied when the outcome was less than what they sought. This observation further supports the argument that a simple cost-benefit approach to complaint behaviour does not capture the entire picture. Finally, government agencies should encourage consumers to include financial redress in their claims where possible. This provides an objective measure upon which both the agency and the consumer can focus.

LIMITATIONS AND FUTURE RESEARCH

There are a number of limitations of this research and opportunities for further research. First, the study involved a single organization and investigated transaction-specific satisfaction. Future research should examine other government agencies that resolve complaints (i.e., Health and Police) or contexts where the cumulative effect of satisfaction exists. The use of a real organization influenced the selection of attributes that were measured for satisfaction. Thus while they reflected government practice they did not reflect the wide range of theoretically available attributes. Further research could include other attributes such as overall/total time of complaint resolution or how the customer felt during the process.

Second, this study used a single-item measure to assess overall satisfaction. Although some scholars argue against the use of single-item measures (Bergkvist and Rossiter 2007), it should be noted that the measure of overall satisfaction was

complemented by a multiple-item measure of satisfaction. We also acknowledge the danger that our ratings of satisfaction with the OFT were confounded in the respondent's mind with their satisfaction with the original seller.

A third limitation of the research is that selection bias cannot be ruled out when considering the finding that males were less satisfied with the complaints resolution service of a government third-party. We also acknowledge that the consumers participating in this study self-select in a number of ways, including when they approach the agency for assistance and then participate in this follow-up study.

A fourth limitation that needs acknowledgement relates to the findings regarding gender. As we did not measure the household status of the respondents or whether a consumer was complaining on behalf of the household, it is possible that the findings related to this factor rather than gender. Future research should address this possibility. We also did not measure cohort effects and therefore cannot determine their effects on satisfaction.

Fifth, we were unable to measure fairness in this research and thus call for future research to examine this important construct. Fourth, this research emphasizes the economic approach to complaints, which is the mandated area by this government department. It would be interesting to examine, the relationship between economic redress and social justice redress in further research. In particular Garrett's (1999) work on justice could be used to further develop the knowledge of third-party complaints further. It would be interesting to note the role perceived justice plays as a motive for third-party complaining.

Finally, the data were collected by a government third-party agency for transaction purposes, so further research should expand the items to include other variables that might explain the non-significant results between redress and satisfaction.

CONCLUSION

The research presented in this article contributes to research on satisfaction with the complaint handling by a government third-party agency. It identified that redress type has a more significant impact on overall satisfaction than does redress amount. Given that satisfaction with the outcome is strongly related to overall satisfaction, it is essential that consumer expectations regarding the complaint outcome are managed at the commencement of the process.

REFERENCES

- Anderson, Eugene W., Claes Fornell and Donald R. Lehmann (1994), "Customer Satisfaction, Market Share and Profitability: Findings from Sweden," *Journal of Marketing*, 58 (3), 53-66.
- Andreassen, Tor Wallin (1994), "Satisfaction, loyalty and reputation as indicators of customer orientation in the public sector," *International Journal of Public Sector Management*, 7(2), 16-34.
- Bearden, William O. (1983), "Profiling Consumers Who Register Complaints against Auto Repair Services," *Journal of Consumer Affairs*, 17(2), 315-335.
- Bearden, William O. and J. Barry Mason (1984), "An Investigation of Influences on Consumer Complaint Reports," *Advances in Consumer Research*, 11(1), 490-495.
- Bearden, William O. and Richard L. Oliver (1985), "The Role of Public and Private Complaining in Satisfaction with Problem Resolution," *Journal of Consumer Affairs*, 19(2), 222-240.
- Bendall-Lyon, Dawn and Thomas L. Powers (2004), "The Impact of Structure and Process Attributes on Satisfaction and Behavioral Intentions", *Journal of Services Marketing*, 18(2), 114-121.
- Bergkvist, Lars and John R. Rossiter (2007), "The Predictive Validity of Multiple-Item Versus Single-Item Measures of the Same Constructs," *Journal of Marketing Research*, 44(2), 175-184.
- Bechwati, Nada Nasr and Maureen Morrin (2003), "Outraged consumers: Getting even at the expense of getting a good deal," *Journal of Consumer Psychology*, 13(4), 440-53.
- Blodgett, Jeffrey G., Donald H. Granbois and Rockney G. Walters (1993), "The Effects of Perceived Justice on Complainant's Negative Word of Mouth and Repatronage Intentions," *Journal of Retailing*, 69(4), 399-428.
- Blodgett, Jeffrey G., Donna J. Hill, and Stephen S. Tax (1997), "The effects of distributive, procedural, and interactional justice on postcomplaint behavior," *Journal of Retailing*, 73(2), 185-210.
- Boshoff, Christo (1997), "An Experimental Study of Service Recovery Options," *International Journal of Service Industry Management*, 8(2), 110-130.
- Callan, Roger J. and Lisa Bowman (2000), "Selecting a Hotel and Determining Salient Quality Attributes: A Preliminary Study of Mature British Travellers," *International Journal of Tourism Research*, 2(2), 97-118.
- Choi, Kui-Son, Woo-Hyun Cho, Sunhee Lee, Hanjoon Lee and Chankon Kim (2004), "The Relationships among Quality, Value, Satisfaction and Behavioural Intention in Health Care Provider Choice: A South Korean Study," *Journal of Business Research*, 57(8), 913-918.
- Dann, Susan and Anthony J. McMullan (2003), "Public Sector and Government Marketing," In Janet R. McColl-Kennedy (Ed.) *Services Marketing: A Managerial Approach* (pp. 477-495). Brisbane, Australia: John Wiley and Sons.
- Davidow, Mosche (2003), "Organizational Responses to Customer Complaints: What Works and What Doesn't," *Journal of Service Research*, 5(3), 225-250.
- Davidow, Mosche and James H. Leigh (1998), "The Effects of Organizational Responses on Customer Satisfaction, Word of Mouth Activity and Repurchase Intentions," *Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behavior*, 11, 91-102.
- DTRFT (2003), *Department of Tourism, Racing and Fair Trading Annual Report 2002/03*, Queensland Government, Australia.
- DTRFT (2007), *Department of Tourism, Racing and Fair Trading Annual Report 2006/07*, Queensland Government, Australia.

- Frank, Robert H. (1988), *Passions Within Reason: The Strategic Role of the Emotions*, W.W. Norton.
- Garrett, Dennis E. (1999), "The effectiveness of compensation given to complaining consumers: Is more better?," *Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behavior*, 12, 26-34.
- Goodwin, Stephen, Vijay Mahajan and Bhal Bhatt, "On Consumer Dissatisfaction: Consumer Arbitration as an Alternative Dispute Resolution Mechanism," *Association for Consumer Research Proceedings: Advances in Consumer Research*, Vol. VI, February 1979, 460-465.
- Gronhaug, Kjell and Mary C. Gilly (1991), "A Transaction Cost Approach to Consumer Dissatisfaction and Complaint Actions," *Journal of Economic Psychology*, 12, 165-183.
- Gronroos, Christian (1995), "Relationship Marketing: the Strategy Continuum," *Journal of the Academy of Marketing Science*, 23(4), 252-254.
- Halstead, Diane (2002), "Negative Word of Mouth: Substitute For or Supplement to Consumer Complaints?," *Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behavior*, 15, 1-13.
- Hogarth, Jeanne M., Maureen English and Manisha Sharma (2001), "Consumer Complaints and Third Parties: Determinants of Consumer Satisfaction with Complaint Resolution Efforts," *Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behavior*, 14, 74-87.
- Huefner, Jonathan C. and H. Keith Hunt (2000), "Consumer Retaliation as a Response to Dissatisfaction," *Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behavior*, 13, 61-82.
- Jimmieson, Nerina L. and Mark A. Griffin (1998), "Linking Client and Employee Perceptions of the Organization: A Study of Client Satisfaction with Health Care Services," *Journal of Occupational and Organizational Psychology*, 71(1), 81-96.
- Jones, Michael A. and Jaebeom Suh (2000), "Transaction-Specific Satisfaction and Overall Satisfaction: An Empirical Examination," *Journal of Services Marketing*, 14(2), 147-159.
- Kelly, J. Patrick (1979), "Consumer Expectations of Complaint Handling by Manufacturers and Retailers of Clothing Products," In Ralph L. Day and H. Keith Hunt (Eds.) *New Dimensions of Consumer Satisfaction and Complaining Behavior* (pp. 103-110). Bloomington, IN: Bureau of Business Research.
- Kennedy, Peter (2003), *A Guide to Econometrics*, MIT Press.
- Kolodinsky, Jane (1995), "Usefulness of Economics in Explaining Consumer Complaints," *Journal of Consumer Affairs*, 29(1), 29-54.
- Laroche, Michael, Gad Saad, Mark Cleveland and Elizabeth M. Browne (2000), "Gender Differences in Information Search Strategies for a Christmas Gift," *Journal of Consumer Marketing*, 17(6), 500-514.
- Mason, Joseph B. and Samuel H. Himes, Jr. (1973), "An Exploratory Behavioral and Socio-economic Profile of Consumer Action about Dissatisfaction with Selected Household Appliances," *Journal of Consumer Affairs*, 2, 121-127.
- Oliver, Richard L. (1997), *Satisfaction: A Behavioral Perspective on the Consumer*, McGraw-Hill International.
- Paarlberg, Laurie E. (2007), "The impact of customer orientation on Government employee performance," *International Public Management Journal*, 10(2), 201-31.
- Owens, Deborah L. and Douglas R. Hausknecht (1999), "The Effect of Simplifying the Complaint Process: A Field Experiment with the Better Business Bureau," *Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behavior*, 12, 35-43.
- Reiboldt, Wendy (2003), "Factors that Influence a Consumer Complainer's Rating of Service Received from a Third Party Complaint-Handling Agency - The Los Angeles Department of Consumer Affairs," *Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behavior*, 16, 166-177.
- Richins, M. L., & Verhage, B. J. 1985. Seeking redress for consumer dissatisfaction: the role of attitudes and situational factors. *Journal of Consumer Policy*, 8(1): 29-45.
- Scott, Don and David Sheiff (1993), "Service Quality Components and Group Criteria in Local Government," *International Journal of Service Industry Management*, 4(4), 42-53.

- Singh, Jagdip (1989), "Determinants of Consumer's Decisions to Seek Third Party Redress: An Empirical Study of Dissatisfied Patients," *Journal of Consumer Affairs*, 23(2), 329-363.
- Singh, Jagdip (1990), "Voice, Exit, and Negative Word-of-Mouth Behaviors: An Investigation Across Three Service Categories," *Journal of the Academy of Marketing Science*, 18(1), 1-15.
- Singh, Jagdip and Shafali Pandya (1991), "Exploring the Effects of Consumers' Dissatisfaction Level on Complaint Behaviors," *European Journal of Marketing*, 25(9), 7-21.
- Singh, Jagdip and Robert E. Wilkes (1996), "When Consumers Complain: A Path Analysis of the Key Antecedents of Consumer Complaint Response Estimates," *Journal of the Academy of Marketing Science*, 24(4), 350-365.
- Spicer, Jerry (2002), "How to Measure Patient Satisfaction," *Quality Progress*, 35(2), 97-99.
- Spreng, Richard A. (1995), "Service Recovery: Impact on Satisfaction and Intentions," *Journal of Services Marketing*, 9(1), 15-23.
- TARP, Technical Assistance Research Programs (1979), *Consumer complaint handling in America: Summary of findings and recommendations*. Washington. DC: U.S. Office of Consumer Affairs.
- The American Council on Consumer Interests (2009), <http://www.consumerinterests.org/home.html> (accessed on 12 December).
- Van der Hart, Hein W.C. (1990), "Government organisations and their customers in the Netherlands: Strategy, tactics and operations," *European Journal of Marketing*, 24(7), 31-42.
- Warland, Rex H., Robert O. Hermann and Jane Willits (1975), "Dissatisfied Consumers: Who Gets Upset and Who Takes Action," *Journal of Consumer Affairs*, 9(2), 148-163.
- Westbrook, Robert A. (1980), "Consumer Satisfaction as a Function of a Personal Competence/Efficacy," *Journal of the Academy of Marketing Science*, 8(4), 427-437.
- Wu, Jianan, Wayne S. DeSarbo, Pu-Ju Chen and Yao-Yi Fu (2006), "A Latent Structure Factor Analytic Approach for Customer Satisfaction Measurement," *Marketing Letters*, 17(3), 221-238.

Send correspondence regarding this Article to one of the following:

Associate Professor Rebekah Russell-Bennett
 School of Advertising, Marketing and Public Relations
 Faculty of Business
 Queensland University of Technology
 2 George St GPO Box 2434
 Brisbane Qld 4001 AUSTRALIA
 Ph: +61 7 3138 2894
 Fax: +61 7 3138 1811
 Email: rebekah.bennett@qut.edu.au

Professor Charmine E.J. Härtel
 The UQ Business School
 University of Queensland
 St Lucia, Brisbane, Queensland
 AUSTRALIA 4072
 Ph: +61 401 999 613
 Email: c.hartel@business.uq.edu.au

Professor Judy Drennan
 School of Advertising, Marketing and Public Relations
 Faculty of Business
 Queensland University of Technology
 Ph: + 61 7 3138 5308
 Fax: +61 7 3138 1811
 Email: j.drennan@qut.edu.au