

# FREQUENCY OF USE AND LEVEL OF SATISFACTION WITH RAINCHECKS

J. Patrick Kelly, Wayne State University  
Jonathan C. Huefner, Brigham Young University  
H. Keith Hunt, Brigham Young University

## ABSTRACT

Rainchecks are a common solution to out-of-stock situations for advertised sale items. Responses regarding an individual's frequency of use and satisfaction with rainchecks were obtained from 2319 customers at large discount stores through entrance and exit interviews during a two week time period. Frequency of use was significantly impacted by income, marital status, home ownership and race. Satisfaction was significantly impacted by age, education, marital status, home ownership and race. There was a polarized response to frequency by satisfaction, with frequent users being either satisfied or dissatisfied and nonusers being neither satisfied nor dissatisfied with rainchecks.

## INTRODUCTION

Rainchecks have been a common solution to out-of-stock situations for advertised sale items for many years. Consumers accept rainchecks as a commitment by a retailer to supply the advertised product at a specific price at a future time. The Federal Trade Commission (FTC) has allowed retailers to issue rainchecks when advertised items are unavailable. The justification for allowing rainchecks is to eliminate the high costs of inventory required to satisfy unpredictable demand. Retailers have been eager to use rainchecks rather than carry excessive inventories (Kelly, Cannon, Hunt, 1991). Although rainchecks are widely used by retailers, there is a surprising paucity of research on customer reactions to rainchecks.

An earlier study (Kelly, Cannon, & Hunt, 1989) reported consumers' satisfactions and dissatisfactions with rainchecks. Questionnaires were sent to 3000 consumers who had turned in rainchecks. Usable responses from 734 consumers

were the basis for analyzing feelings about and reactions toward rainchecks. A major portion of this earlier study dealt specifically with customer satisfaction and dissatisfaction with rainchecks and found mixed reactions. Satisfaction was most affected by what consumers felt were fair raincheck policies (rainchecks that were easy to obtain and were offered openly, and store policies that worked at solving customer problems) as opposed to unfair raincheck policies (rainchecks that required customer initiative and various additional actions).

As this previous study only included people who had turned in a raincheck, it gave no indication of the relative frequency of raincheck use by all shoppers nor did it provide descriptions of raincheck users across demographic categories. Two earlier studies on rainchecks (Ferguson, Mason, & Wilkinson, 1980; Mason & Wilkinson, 1977) described the frequency of obtaining rainchecks and the frequency of redemption but did not address customer satisfaction with the raincheck process.

The authors had the opportunity in the summer of 1990 to include raincheck satisfaction questions in a study done for a major retailer. The questions that were relevant to these issues dealt with the frequency of raincheck usage and with general satisfaction with rainchecks.

## METHOD

### Subjects

Respondents in this study were 2319 customers at large discount stores in the Seattle/Everett, Washington; Garfield Heights/Euclid, Ohio; and Denver/Aurora, Colorado areas. Daily and hourly sample quotas were used to match the sampling with actual shopping traffic at each store. The sample was made up of 1698 females (73.2%) and

---

621 males (26.8%). The racial distribution was 1699 Caucasians (73.3%), 330 African-Americans (14.2%), 148 Hispanics (6.4%), 22 Orientals (.9%), and 120 other or with missing data (5.2%).

### Procedure

Data for the study were collected through entrance and exit personal interviews at each store's entrance during a two-week period. Interviewers were trained by the authors and completed questionnaires were monitored for compliance with the established protocol. Subjects were asked if they had been interviewed at that store within the last two weeks (if they had, the interview was terminated). Subjects were given a five-dollar gift certificate for their participation. The questions dealing with raincheck satisfaction/dissatisfaction were asked during the "exit" portion of the interview.

### Instrument

The major portion of the questionnaire asked a series of questions about whether shoppers had seen a newspaper ad and what role that ad played in their coming to that particular store that day. There were also questions about what specific items the shoppers came to buy, and what they actually bought. During the exit interview the following two questions were asked dealing with rainchecks:

1. Now about rain checks, when a store is out of stock on a sale item you want, do you: a) frequently, b) occasionally, or c) never get a raincheck?
2. Not just for this store, but for stores in general, when you make a trip to a store to buy a sale item and it's out of stock, how satisfied are you with a rain check? a) very dissatisfied, b) dissatisfied, c) neither, d) satisfied, or e) very satisfied.

Subjects were also asked questions about their age, education, income, marital status, and whether they own a home or rent a home or apartment. The subjects' sex and race were recorded by interviewer observation.

## RESULTS

The frequency distribution of raincheck users in our sample showed that 60.3% reported frequently or occasionally having previously obtained a raincheck for an out-of-stock advertised sale item: 39.4% of the sample were occasional raincheck users, while 20.9% reported being frequent raincheck users. Only 39.7% of the sample reported never having used rainchecks.

Four demographic variables, listed in Table 1, had significant relationships to the frequency of raincheck usage. There were several interesting relationships worth mentioning for these demographic variables. For income, the

Table 1  
Frequency of Raincheck Use by  
Significant Demographics

	<u>Never</u>	<u>Occasional</u>	<u>Frequent</u>
<u>Income</u> (chi-square = 29.4, df = 14, p < .0092)			
< \$15,000	48.0	34.9	17.1
\$15-19,999	41.6	40.3	18.1
\$20-24,999	40.7	35.8	23.5
\$25-34,999	37.7	40.4	21.9
\$35-49,999	35.9	39.1	25.0
\$50-64,999	35.2	44.0	20.9
> \$65,000	33.8	48.6	17.6
<u>Marital</u> (chi-square = 36.0, df = 2, p < .00001)			
Married	34.9	41.3	23.9
Unmarried	46.9	36.7	16.4
<u>House</u> (chi-square = 39.8, df = 6, p < .00001)			
Own home	34.6	42.8	22.6
Rent apt	45.7	33.2	21.0
Rent home	48.5	35.3	16.2
<u>Race</u> (chi-square = 21.8, df = 8, p < .0054)			
White	37.5	41.4	21.1
Black	49.4	31.5	19.1
Hispanic	41.9	39.0	19.1
Oriental	52.4	33.3	14.3

probability of having never used a raincheck steadily decreased as income increased (48% for income less than \$15,000 and 33.8% for income more than \$64,000). For marital status, married respondents were more likely to be raincheck users (65.1%) than were unmarried respondents (53.1%). For home ownership, home owners were more likely to use rainchecks (65.4%) than were renters (51.5% for rent apartment and 54.3% for rent home). For race, Caucasians were more likely to be occasional and frequent raincheck users (62.5%) than were other groups (58.1% for Hispanics, 50.6% for African-Americans, and 47.6% for Orientals).

The demographic variables measured which were not related to the frequency of raincheck usage were sex, age, and education.

The interaction of the questions dealing with the frequency of raincheck usage and satisfaction with rainchecks is given in Table 2. Frequent and occasional users, perhaps because of their experience with rainchecks, tend to be either satisfied or dissatisfied, while 50.3% of those who never use rainchecks are neither satisfied nor dissatisfied. Those who were satisfied with rainchecks were more likely to be the frequent raincheck users.

There were five demographic variables, listed in Table 3, with significant relationships to satisfaction with rainchecks. Several of these relationships are worth mentioning. For age, older

**Table 2**  
Satisfaction With Rainchecks by  
Frequency of Raincheck Use

	<u>Dissatisfied</u>	<u>Neither</u>	<u>Satisfied</u>
<u>Frequent</u>	35.7%	11.6%	52.7%
<u>Occasional</u>	39.9%	16.0%	44.2%
<u>Never</u>	30.8%	50.3%	18.8%

(Chi-square = 312.2, df = 8, p < .00001)

respondents were less likely to be neutral concerning rainchecks. Attitudes were clearly fixed at the extremes of the satisfaction range. For level of education, respondents who had some high school (38.2%) or were high school graduates (43.1%) tended to be satisfied. Dissatisfaction with rainchecks increases with education with 30.3% for some high school to 40.5% for college

graduates. For respondents who had some college or who were college graduates the tendency was to be dissatisfied (38.3-40.5%) rather than satisfied (34.3-37%).

For marital status, married respondents were more likely to be either dissatisfied (38.4%) or satisfied (40.5%), while unmarried respondents were almost equally divided with 32.8% dissatisfied, 31.7% neutral, and 35.5% satisfied.

**Table 3**  
Satisfaction With Rainchecks by  
Significant Demographics

	<u>Dissatisfied</u>	<u>Neither</u>	<u>Satisfied</u>
<u>Age</u> (chi-square = 59.9, df = 20, p < .00001)			
18-24	25.3	39.7	35.0
25-34	37.2	27.4	35.4
35-44	40.7	23.3	35.9
45-54	39.1	17.7	43.2
55-64	31.9	22.8	45.2
65 +	37.5	21.0	41.5
<u>Education</u> (chi-square = 25.1, df = 12, p < .0143)			
Some HS	30.3	31.5	38.2
HS Grad	33.8	23.1	43.1
Some Col	38.3	27.5	34.3
Col Grad	40.5	22.5	37.0
<u>Marital</u> (chi-square = 28.0, df = 4, p < .00001)			
Married	38.4	21.0	40.5
Unmarried	32.8	31.7	35.5
<u>Home ownership</u> (chi-square = 31.7, df = 12, p < .0016)			
Own home	38.7	21.8	39.5
Rent apt	30.5	30.8	38.8
Rent home	35.3	30.5	34.3
<u>Race</u> (chi-square = 30.9, df = 16, p < .014)			
White	38.1	24.0	37.9
Black	32.3	29.1	38.7
Hispanic	22.3	31.1	46.6
Oriental	05.9	58.8	35.3

For home ownership, owners were more likely to be split, while renters were nearly equal for the three satisfaction categories. For race, Caucasians and African-Americans were fairly equal (somewhat split), Hispanics were more likely to be satisfied (46.6%), and Orientals were mostly neither satisfied nor dissatisfied.

The demographic variables measured which were not significantly related to satisfaction were sex and income.

## DISCUSSION

### Frequency

The finding that 60.3% of the sample occasionally or frequently used rainchecks substantiates what we could only infer from the previous study (Kelly, Cannon, & Hunt, 1989), that is, that rainchecks are widely used. Whenever advertised items are out of stock, 20.9% of consumers frequently and 39.4% of consumers occasionally use rainchecks as at least a partial solution to the problem. Customers seem to be willing to accept rainchecks as one solution to an out-of-stock situation and retailers have come to accept rainchecks as a necessary way of accommodating customers for out-of-stock situations.

Some have argued that retailers prefer the use of rainchecks as a way of generating repeat customer traffic (Hess & Gerstner, 1989). However, there is no evidence that any retailer has been willing to risk increasing customer dissatisfaction by intentionally advertising out-of-stock items and then giving rainchecks in the hope the dissatisfied customers will return to redeem the raincheck and buy additional items while in the store. Retailers know their success at generating repeat customer traffic will come from having goods available when customers want to purchase them, not from generating traffic with rainchecks for goods that were unavailable when customers wanted or needed them.

### Demographics By Frequency

For the demographic variables that were significantly related to frequency of raincheck use it is important to realize that several of the

demographic variables were not independent. For example, there was a significant relationship between home ownership and the variables marital status, age, and race of subject. Homeowners were more likely to be married and white, with age increasing the probability of home ownership. Because of this, caution is needed when interpreting the results for demographic variables.

Some of the findings for the demographic variables seemed surprising. The fact that sex was unrelated to frequency of raincheck usage was unexpected. As women make the majority of purchases, it seemed that women would be more aware of rainchecks as a solution to out-of-stock sale items and thus more likely to obtain rainchecks. It may have been that the men we interviewed, given that they were shopping, were frequent shoppers for their families. On the other hand, given the generally understood male frustration with shopping, it's surprising to find male shoppers as willing to accept rainchecks as their female counterparts.

It is unclear what the relationship between income and frequency of raincheck use really means. When occasional and frequent raincheck user categories are combined the frequency of raincheck use increases as income increases. It is possible that raincheck usage requires the financial ability to redeem rainchecks during future budget periods, a luxury more easily afforded by those with higher incomes. Because the relationship between race and income was not significant in this study it cannot be supposed that income influences frequency by way of race (the assumption being that race might be related to familiarity with rainchecks). Perhaps the store items for which those with higher incomes obtain rainchecks are higher priced items with higher dollar savings to be realized, making it more worthwhile to obtain the raincheck. It might also be that higher priced items require greater investments in inventory with greater dollar values for incorrect inventory decisions, thus encouraging managers to slightly underestimate the demand for these items.

Caucasians, marrieds, and home owners were more likely than other groups to obtain rainchecks. As already mentioned, these variables are not independent. Because of this, the relationship with frequency of raincheck usage could be entirely due

to just one of these variables. The higher frequency for Caucasians could be an indication of rainchecks being a cultural phenomenon. It is by no means obvious why marrieds and home owners would have higher raincheck usage. Marital status may be associated with families (more mouths to feed on the same income) and increased concern with making a dollar go as far as it can. The way in which home ownership might influence frequency of raincheck usage is not at all clear.

### Frequency By Satisfaction

The results for the frequency of raincheck usage by satisfaction with rainchecks revealed some interesting relationships. Over half of the frequent raincheck users reported being satisfied with rainchecks as a solution to out-of-stock situations. Some of this could be due to 1) those who are really satisfied; 2) those who are taking advantage of out-of-stocks to obtain sale price vouchers for future use, or 3) those who have talked themselves into this position using a "sweet lemon" rationalization that while rainchecks are an inconvenience, they are not really that bad. What was surprising was the relative stability of the percentage of people dissatisfied with rainchecks regardless of frequency of raincheck use, while the percentage of people who were neutral or satisfied with rainchecks appeared to be highly related to frequency of raincheck use.

### Demographics By Satisfaction

The tendency for older respondents to be either satisfied or dissatisfied with rainchecks was likely to be simply an experiential phenomenon. Older people are more likely to have used a raincheck, and more experience with rainchecks is likely to produce either a positive or negative reaction.

The polarity of satisfaction with rainchecks by those who use rainchecks indicated a clear like/dislike relationship. Users were either satisfied or dissatisfied with their use of rainchecks. Those who had never used rainchecks tended to be neutral (50.3%) or felt they would be dissatisfied (30.8%) with the raincheck process.

There was a tendency for those with some

high school and high school graduates to report being satisfied with rainchecks. There was a similar tendency for those with some college and college graduates to report being dissatisfied with rainchecks. It could be that increased education brings increased consumer sophistication and the recognition that out-of-stocks are the fault of the store and that a raincheck is a less than satisfactory solution for the store's error.

Unmarried respondents were fairly equally split across dissatisfied, neither, and satisfied categories. Married respondents, on the other hand, were more likely to be either satisfied or dissatisfied, with slightly more reporting being satisfied with rainchecks. It may be that this is related to age and experience, married respondents tending to be older than unmarried respondents.

Caucasians, who were more frequent users of rainchecks, tended to be either satisfied or dissatisfied with rainchecks as a solution to out-of-stock situations. Perhaps because Caucasians have had more experience with rainchecks, that experience polarized them to the satisfied or dissatisfied positions. Hispanics, on the other hand, with the largest percentage having never gotten a raincheck, were much more likely to report being satisfied with rainchecks as a solution. We have no idea why this would be the case. Only 5.9% of the orientals reported being dissatisfied with rainchecks, while 58.8% report being neutral. Rather than assume this indicated a lack of dissatisfaction, it is important to remember that among traditional oriental cultures to express negative reactions is considered a breach of social etiquette.

### Problems

In the current study we deliberately used the never-occasionally-frequently indicators for frequency of raincheck use. Our experience discussing raincheck usage with numerous people has led us to the conclusion that many people are not able to accurately report specific numbers of rainchecks they've obtained. However, what is "frequent" for one person may correspond to exactly the same actual frequency another person reports as "occasional." Also, it doesn't tell us if whether subjects obtained rainchecks for every item they found out of stock, or for just selected

items. Occasional raincheck users could be obtaining a raincheck for every out-of-stock item they encounter and frequent users for only a selected few they find critical. The possibility that certain types of items may be relatively more "rainchecked" raises the question of what items and circumstances influence a customer deciding whether or not to obtain a raincheck.

And finally, this study was limited to the customers of large discount retailers. Customers in other situations may behave quite differently. While rainchecks may be primarily a large discount retail store and grocery store phenomenon, it would be interesting to see the results for customers of more up-scale retailers such as department stores.

### REFERENCES

- Ferguson, C. E., J. B. Mason and J. B. Wilkinson, (1980), Simulation Food Shoppers' Economic Loss as a Result of Supermarket Unavailability, *Decision Sciences*, 11, 535-556.
- Hess, J. D. and E. Gerstner (1989), FTC Should Reconsider Its Raincheck Decision, *Marketing News*, 23(4), 4-5.
- Kelly, J. P., H. Cannon and H. K. Hunt (1989), Consumer Satisfaction/Dissatisfaction With Rainchecks, *Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behavior*, 2, 67-69.
- Kelly, J. P., H. Cannon and H. K. Hunt (1991), Customer Responses to Rainchecks, *Journal of Retailing*, in press.
- Mason, J. B. and J. B. Wilkinson (1977), Supermarket Product Unavailability and the Consumer Response, In R. L. Day (ed.), *Consumer Satisfaction, Dissatisfaction, and Complaining Behavior*, Bloomington, IN: Indiana University Press.

Send correspondence regarding this article to:

H. Keith Hunt  
Marriott School of Management  
632 TNRB  
Brigham Young University  
Provo, UT 84602

---