LEGAL MOBILIZATION IN CANADA AND THE UNITED STATES:
CONSUMER PROBLEMS IN NORTH AMERICA

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INTRODUCTION

In the modern consumer society, problems with the objects of consumption--both goods and services--are inevitable. Both businesses and government have devoted substantial attention to the issue of how to handle the problems that arise. Consumers have come to expect and enjoy a variety of "rights" in resolving their problems; some of these "rights" reflect efforts of business concerns to maintain customer goodwill while others are statutory and regulatory measures designed to "protect" consumers in their dealings in the marketplace.

Consumers are aggressive in using the rights they possess. Surveys of consumer problem-handling show that at least a third (Best and Adreason, 1977: 716), and, in some situations, as many as 80% (Ross and Littlefield, 1978: 199) register complaints (and thus seek redress) when they encounter a problem with goods or services. Because of the volume of consumption and the inevitability of some level of problems or dissatisfaction, consumer complaining almost certainly constitutes the most common form of legal mobilization. While the consumer may not specifically recognize the act of complaining as a form of legal mobilization, the fact that the consumer is usually supported by legal rights (either statutory or contractual through explicit warranties) and the actual recourse to formal legal actors (i.e., lawyers, consumer protection agencies, etc.) or formal legal action (i.e., filing a lawsuit) is relatively rare (albeit at least a possibility), consumers who complain are implicitly relying upon the power of the third branch of government.

More generally, seeking redress of grievances constitutes one of the initial stages of the legal mobilization process. In their well-known essay, "Naming, Blaming, and Claiming. . .."
Felstiner, Abel, and Sarat (1980-81; see also Vidmar, 1981) identify claiming as one of a series of stages which eventually can lead to formal legal mobilization. Figure 1 shows one model of this process, what we call the Developmental Theory of Litigation. Under this model, the focus of analysis becomes the transition from one stage to another, both the frequency of those transitions and the factors that influence the occurrence of transitions in individual cases. For consumer problems, the central issue is claiming (or what we here will refer to as complaining—in the consumer context a complaint may be seen as equivalent to a claim because a request for redress is typically seen as implied by the act of complaining). The possible explanatory factors that might account for complaining behavior in consumer problems derive from many overlapping theories of individual dispute-related behavior:¹

- contextual theories: individual response is primarily a function of the social and structural context in which the grievance arises (see Merry, 1990); we include under this heading the degree of loss: likelihood of seeking redress may be related to the magnitude of the perceived loss.
- resource theories: individual response is primarily a function of the economic and experiential resources that individuals bring to the problem (Bumiller, 1988; Crowe, 1978).
- individual difference theories: individual response is primarily a function of individual attitudes, predispositions, and social situations (see Vidmar and Schuller, 1981; Vidmar, 1981).

In a series of prior papers (Kritzer, Bogart, and Vidmar, 1990; Kritzer, Vidmar, and Bogart, 1990; Kritzer, 1989), we have examined claiming behavior in the context of injury-

¹See, in addition to the specific citations above, Boyum (1983).
FIGURE 1

DEVELOPMENTAL THEORY OF LITIGATION
related grievances (torts) and discrimination. In this paper, we turn our attention consumer problems, and compare our results to those we have found for torts and discrimination.\(^2\) The key finding in our previous analyses is the central importance of contextual elements. Miller and Sarat's (1980-81) analysis of very different broadly-defined types of problems identified problem type as the primary explanatory factor of claiming behavior; our analyses have looked within several of those problem types, and our findings, across a variety of data sets from three different countries show that further specification of context (i.e., breaking down each general problem type into subtypes) continues to be the strongest explanatory factor. As we will show here, this pattern holds up for consumer problems. However, before turning to our own analysis, let us briefly summarize results of prior studies of consumer complaining behavior.

**CONSUMER COMPLAINING**

When one looks comprehensibly at the literature on consumer complaining, the most striking aspect is the tremendous variability in the reported claiming rates: from a low of 9% for coffee in Norway (Grønhaug, 1977: 161) to a high of 87% for consumer problems involving more than $1,000 in the United States (Miller and Sarat, 1980-81: 537). The published reports of consumer complaining rates are summarized in Table 1a (which shows information from studies focusing on the United States) and Table 1b (which shows information on similar studies conducted outside the United States). Some of the studies (e.g., Miller and Sarat, 1980-81; Best and Andreason, 1977; Ross and Littlefield, 1978) are familiar to judicial scholars. However, much more research has appeared in a literature that is seldom referenced by most students of the legal process: the marketing literature.

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\(^2\)This paper builds upon earlier work reported by Zahorik (1990); we would like to thank Neville Marsh, of the Office of Fair Trading, for his valuable comments on that preliminary analysis.
TABLE 1A

STUDIES OF CONSUMER COMPLAINING IN THE UNITED STATES

<table>
<thead>
<tr>
<th>Study</th>
<th>Location</th>
<th>Sample Size</th>
<th>Strong Problems</th>
<th>Weak Problems</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Best and Andreason</strong> (1977: 716; see also Best, 1981: 123)</td>
<td>34 Cities</td>
<td>N=2419 (2831 weak problems, 2871 strong problems)</td>
<td>33% &quot;weak&quot; problems</td>
<td>52% &quot;strong&quot; problems</td>
</tr>
<tr>
<td><strong>Caplovitz</strong> (1963: 171)</td>
<td>New York City</td>
<td>N=464</td>
<td></td>
<td>40%&lt;7&lt;50%h</td>
</tr>
<tr>
<td><strong>Day and Ash</strong> (1978a: 193, 195; see also Day and Bodur, 1978; Day and Ash, 1978b; Ash, 1978) consumer durables, nondurables, and services</td>
<td>Bloomington, Indiana</td>
<td>N=119 (durables)</td>
<td>54%e</td>
<td>33%&lt;7&lt;67% (durables)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>N=121 (nondurables)</td>
<td></td>
<td>27%&lt;7&lt;47% (nondur.)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>N=125 (services)</td>
<td></td>
<td>&lt;77% (services)</td>
</tr>
<tr>
<td><strong>Granbois, Summers, and Frazier</strong> (1977: 18) problems with a variety of routine consumer goods</td>
<td>consumer panel in South Carolina</td>
<td>N=[?]</td>
<td>from</td>
<td>43% (meat or produce) to 85% (shoes)</td>
</tr>
<tr>
<td><strong>King and McEvoy</strong> (1976: 42')</td>
<td>National</td>
<td>N=2513</td>
<td></td>
<td>73%</td>
</tr>
<tr>
<td><strong>Grainer, McEvoy, and King</strong> (1978: 497) general consumer problems</td>
<td>Vermont</td>
<td>N=94</td>
<td></td>
<td>69%</td>
</tr>
<tr>
<td><strong>Kolodinsky and Aleong</strong> (1990: 68) service-related problems (repairs, personal services, financial services, professional services)</td>
<td>Milwaukee County</td>
<td>N=881</td>
<td></td>
<td>75%</td>
</tr>
<tr>
<td><strong>Ladinsky and Susmilch</strong> (1985: 204) routine consumer problems</td>
<td>Bloomington, Indiana</td>
<td>N=224</td>
<td></td>
<td>29% (&quot;public actions&quot;)</td>
</tr>
<tr>
<td><strong>Leigh and Day</strong> (1978: 179) product experiences resulting in high dissatisfaction</td>
<td>Bloomington, Indiana</td>
<td>N=224</td>
<td></td>
<td>29% (&quot;public actions&quot;)</td>
</tr>
<tr>
<td><strong>Levy and Surprentant</strong> (1981: 44) goods and services problems experienced by business school graduate students</td>
<td>New York University</td>
<td>N=80</td>
<td></td>
<td>53% (products)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>58% (services)</td>
</tr>
<tr>
<td><strong>McNeil et al.</strong> (1979: 715) used car problems</td>
<td>3 states</td>
<td>N=1212 (268 found defects post-purchase)</td>
<td></td>
<td>60%</td>
</tr>
<tr>
<td><strong>Miller and Sarat</strong> (1980-81: 537) consumer problems over $1,000</td>
<td>5 federal judicial districts</td>
<td>N=559</td>
<td></td>
<td>87%</td>
</tr>
<tr>
<td><strong>Ross and Littlefield</strong> (1978: 205) household appliance problems</td>
<td>Denver</td>
<td>N=398 (80 of whom had problems)</td>
<td></td>
<td>81%h</td>
</tr>
</tbody>
</table>

h denotes probability < 0.05
<table>
<thead>
<tr>
<th>Source</th>
<th>Type of Problem</th>
<th>Sample Size</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>TARP (1986:35)</td>
<td>durable good and service problems</td>
<td>N=[?]</td>
<td>40% large ticket durables</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>50% med. ticket durables</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>63% large ticket service</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>55% medium ticket service</td>
</tr>
<tr>
<td>Sauer, Chaiy, and Schweitzer (1981:88)</td>
<td>credit problems of consumers</td>
<td>N=500</td>
<td>less than 43%</td>
</tr>
<tr>
<td>Warland et al. (1975:152-53)</td>
<td>misc. consumer problems</td>
<td>N=1215</td>
<td>34%&lt;?&lt;50%</td>
</tr>
</tbody>
</table>

a Results are given in terms of the actions taken; figure reported is the complement of the percentage taking no action. Thus, assuming some consumers took multiple actions, this represents the maximum number taking some action.

b The rate falls in the range shown; published figures show frequency of possibly multiple actions, and this range was established by using the frequency of the most common action as the lower limit and the frequency of all actions (i.e., the total number of actions) as the upper limit.

c This is the upper limit of the possible claiming rate, based upon the complement of percentage taking no action.

d Limits of range calculated from data reported in the article.

e This figure is actually reported in Grainer, McEvoy, and King (1978:497n11).

f Quoted in Ross and Littlefield (1978:42).

g Computed by combining figures for problems at delivery and problems subsequent to delivery.

h "Half did nothing at all . . . Another 40 per cent tried to deal with the merchant themselves. Only 9 per cent sought professional help."
# TABLE 1B

## STUDIES OF CONSUMER COMPLAINING OUTSIDE THE UNITED STATES

<table>
<thead>
<tr>
<th>Study</th>
<th>Location</th>
<th>Sample Size</th>
<th>Complaint Type</th>
<th>Resolution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Abel-Smith, Zander, and Brooke (1973: 125-126)</td>
<td>London, England</td>
<td>N=270</td>
<td>Defective goods worth £5 or more</td>
<td>86% (231 of 279)</td>
</tr>
<tr>
<td>Ash and Quelch (1979: 129)</td>
<td>Canada</td>
<td></td>
<td>Rentals, public transportation, utilities</td>
<td>53% (rentals)</td>
</tr>
<tr>
<td>Ash (1980: II:86, III:95)</td>
<td>Canada</td>
<td>N=500 (est.)</td>
<td>Consumer durables &amp; services</td>
<td>50-60% (est.)</td>
</tr>
<tr>
<td>Barnes and Kelloway (1979:331)</td>
<td>Canada</td>
<td></td>
<td>Grocery items, appliances, clothing</td>
<td>48% groceries</td>
</tr>
<tr>
<td>Bodur, Borak, and Kurtulus (1980: 77-78)</td>
<td>Istanbul, Turkey</td>
<td></td>
<td>Consumer service problems</td>
<td>&lt;43% (190 actions for 437 problems)</td>
</tr>
<tr>
<td>Bogart and Vidmar (1988: 50b)</td>
<td>Ontario, Canada</td>
<td>N=241</td>
<td>Consumer problems over CN$1,000</td>
<td>71%</td>
</tr>
<tr>
<td>FitzGerald (1983: 31)</td>
<td>Victoria State, Australia</td>
<td>N=130</td>
<td>Consumer problems over A$1,000</td>
<td>85%</td>
</tr>
<tr>
<td>Grønhaug (1977: 161)</td>
<td>Norway</td>
<td></td>
<td>Groceries, textiles, cars</td>
<td>32%</td>
</tr>
<tr>
<td>Meffert and Bruhn (1982: 40)</td>
<td>West Germany</td>
<td>N=[not stated]</td>
<td>TV and car repair problems</td>
<td>34%&lt;&lt;?&lt;45%* (TV sets)</td>
</tr>
<tr>
<td>Schuller and Vidmar (1987: Table 2)</td>
<td>London, Ontario</td>
<td></td>
<td>Consumer problems</td>
<td>67% product</td>
</tr>
<tr>
<td></td>
<td></td>
<td>N= 131 product problems</td>
<td></td>
<td>84% tradesman</td>
</tr>
<tr>
<td></td>
<td></td>
<td>N=74 tradesman service problems</td>
<td></td>
<td>39% professional</td>
</tr>
<tr>
<td>Source</td>
<td>Location</td>
<td>Category</td>
<td>Action (%)</td>
<td></td>
</tr>
<tr>
<td>--------------------------------</td>
<td>-------------------</td>
<td>---------------------------------</td>
<td>------------</td>
<td></td>
</tr>
<tr>
<td><strong>Stø (1990: 75)</strong></td>
<td>Norway</td>
<td>consumer problems</td>
<td>80%</td>
<td></td>
</tr>
<tr>
<td><strong>Strahle, Duffy, and Day (1989: 102)</strong></td>
<td>New Zealand</td>
<td>consumer grocery products</td>
<td>24%&lt;?&lt;44%</td>
<td></td>
</tr>
<tr>
<td><strong>Thorelli and Puri (1977: 135)</strong></td>
<td>Norway</td>
<td>&quot;faulty or deficient products&quot;</td>
<td>74%</td>
<td></td>
</tr>
<tr>
<td><strong>Thorelli (1982: 109)</strong></td>
<td>China and Thailand</td>
<td>routine product problems</td>
<td>13% (China)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>18% (Thailand)</td>
<td></td>
</tr>
<tr>
<td><strong>Vidmar (1988: 777)</strong></td>
<td>London, Ontario</td>
<td>routine consumer problems</td>
<td>70%</td>
<td></td>
</tr>
</tbody>
</table>

*The Thai data are taken from Thorelli and Sentell (1982).

*Estimated by assuming no duplicative action by respondent and other members of household; percent of respondents taking some action combined with percent of other members taking some action.

*The rate falls in the range shown; published figures show frequency of possibly multiple actions, and this range was established by using the frequency of the most common action as the lower limit and the frequency of all actions (i.e., the total number of actions) as the upper limit.
The motivating force of the marketing literature is quite different than judicialists' interest in legal mobilization. Marketing scholars want to know the implications of consumer complaining for the process of developing, selling, and servicing consumer products. A significant portion of this literature is found in a series of conference proceedings published under a variety of titles by the Marketing Department at the Indiana University School of Business during the late 1970's and early 1980's, and more recently in a new annual series entitled *Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behavior*. The most common approach seen in this literature was popularized by a 1976 study carried out by Ralph Day and his colleagues (Day and Bodur, 1978; Day and Ash 1978a, 1978b; Leigh and Day, 1979; Day, Schaetzle, Grubicke, and Staubach, 1981). In this research, consumer dissatisfaction is expressed through either "private" or "public" actions, or some combination of the two. Public actions are what would normally be associated with seeking redress of some sort: complaining to the seller/provider, complaining to the manufacturer, complaining to third parties (e.g., consumer protection agencies); in some cases it may involve actions that are more political than personal in nature: efforts to influence future actions of providers, efforts to influence legislative and/or regulatory agencies, efforts to warn the public in some general way. Private actions, on the other hand, involve actions that would not directly come to the attention to the seller/provider (or manufacturer): changing ("boycotting") brands or suppliers, badmouthing ("adverse word of mouth") the brand or supplier to friends and family, etc. Research relying upon this framework typically reports, as a multi-response variable, the frequency of each of a series of subtypes of the private and public actions; since it is the public actions that approximate what legal scholars regard as redress-seeking behavior, the published results of these studies provide at most a range within which the complaining rate falls.3

3Typically the studies show multiresponse tabulations. The overall complaining rate falls somewhere between the percentage for the most common public action and the sum of percentages for all public actions.
There is other research in the marketing and consumer literature that reports more directly what we would view as complaining rates. Some of these are for special populations (e.g., the poor in Caplovitz, 1963; the elderly in Bernhardt, 1981). Others report complaining rates for general populations, typically for a broad spectrum of consumer difficulties (Warland, Herrmann, and Willits, 1975; King and McEvoy, 1976; Grainer, McEvoy, and King, 1976; Granbois, Summers, and Frazier, 1977; Klodinsky and Aleong, 1990). Both of these research approaches have been extended to countries other than the United States: Canada (Ash, 1980, Ash and Quelch, 1979; Barnes and Kelloway, 1979); China (Thorelli, 1982), Thailand (Thorelli and Sentell, 1982), Norway (Thorelli and Puri, 1977; Grønhaug, 1977; Stø and Glefjell, 1990), West Germany (Meffert and Bruhn, 1982), Istanbul, Turkey (Bodur, Borak, and Kurtulus, 1980), and New Zealand (Strahle, Duffy, and Day, 1989).

The consumer literature has extensively explored possible correlates of consumer complaining behavior.\(^4\)

- degree of dissatisfaction (Beardon and Teal; Day, 1984; Landon, 1977; Lawther, Krishnan and Valle, 1979; Oliver, 1987; Richens, 1987; Swan and Longman, 1983);
- the perceived relative value of complaining (Day and Landon, 1977; Richens, 1980, 1982);
- opportunity to complain or ease of complaining (Fornell and Didow, 1980; Richens, 1987);
- perceived cause (attribution) for the dissatisfaction (Krishnan and Valle, 1979; Richens, 1987);
- previous buying/complaining experience (Day and Landon, 1977; Day, et al., 1981; Day, 1984; Grønhaug and Zaltman, 1981; Landon, 1977; Richens, 1982);
- importance of the purchase (Grønhaug, 1977; Richens, 1985);

\(^4\)This list is drawn largely from Rogers and Terrell (1990).
- degree of monetary loss involved (Gilly and Gelb, 1982);
- type of product (Day and Ash, 1978b; Day and Bodur, 1978; Day, Grabicke, Schaetzle, and Staubach, 1981; Day, 1984; Landon, 1977; Richens, 1987; Summers and Granbois, 1977);
- type of store involved (Day and Landon, 1977; Strahle and Day, 1985);
- reputation of the store (Beardon and Mason, 1984; Day and Landon, 1977; Day, 1984; Granbois, Summers and Frazier, 1977; Landon, 1977; Summers and Granbois, 1977);
- salience of the dissatisfying attribute (Cadotte and Turgeon, 1988);
- social norms concerning the acceptability of complaining (Jacoby and Jaccard, 1982);
- culture/nationality (Richens, 1987; Villarel-Camacho, 1983);
- product price (Liefeld, Edgecomb and Wolfe, 1975; Richens, 1987);
- attitude toward the offending firm (Lundstrom, Skelly and Sciglimpaglia, 1979);
- personality factors (Fornell and Westbrook, 1979; Grabicke, Schaetzle, and Staubach, 1982; Nantel, 1985; Richens, 1982, 1987; Zaichkowsky and Liefeld, 1977);
- personal values (Morganosky and Buckley, 1987; Rogers and Williams, 1990);
- propensity to complain (Day and Landon, 1977; Richens, 1982);
- socioeconomic and demographic characteristics (Beardon, Teel, and Crockett, 1980; Bourgeois and Barnes, 1979; Granbois, Summers, and Frazier, 1977; Grønhaug, 1977; Liefeld, Edgecombe, and Wolfe, 1975; Mason and Himes, 1973; Morganosky and Buckley, 1987; Richens, 1982; Strahle and Day, 1985; Stokes, 1974; Thomas and Shuptrine, 1975; Warland, Herrmann and Willits, 1975; Villarel-Camacho, 1983);
psychographics/lifestyle (Morganosky and Buckley, 1987; Wall, Dickey and
Talarzyk, 1977; Westbrook, 1977; Zaichkowsky and Liefeld, 1977);

- degree of consumer alienation (Beardon and Mason, 1984); and
- attitude toward complaining (Beardon, Teel, and Crockett, 1980; Beardon and
Richens, 1982).

Some marketing scholars do approach the issue in a fashion that strongly resembles the
framework outlined in our introduction (Jacoby and Jaccard, 1981:6):

[A] consumer complaint is defined as an action taken by an individual which involves
communicating something negative regarding a product or service to either the firm
manufacturing or marketing that product or service, or to some third-party organizational
entity (such as the Better Business Bureau or the Federal Trade commission). Not all
consumer complaints are coupled with a request for redress. However, when redress is
requested, it usually takes one of two forms: basic (when redress is limited to the value
of the product, as a refund or exchange) or involved (involving compensation beyond the
value of the product, as in a suit for damages).

However, very little of the empirical work in the marketing literature employs this particular
approach.

In general, the efforts to find correlates or predictors of complaining behavior, whether in
the consumer literature or in the legal literature, have yielded many statistically significant
relationships, but most of them are so weak that they are of minimal substantive significance.
The two kinds of factors that seem to produce sizable relationships with complaining behavior
are the type of product/service involved and the amount of money involved. The first of these
probably reflects a combination of what might be labeled the "social context of complaining" and
"expectations of dissatisfaction." That is, in some circumstances (e.g., dealing with a highly
trained professional, there may be a norm against challenging the expert's expertise), and vis-a-
vis other kinds of products, there may be an acceptance of a certain level of dissatisfaction as part of the normal routine (e.g., fruits vary in quality, and sometimes the apples are a bit mushy or the meat is tough). This latter point suggests a closely related factor: degree of dissatisfaction (that is, not all complaints are created equal independent of the amount at issue). The second factor, amount at issue, probably interacts with degree of dissatisfaction: the less money involved, the greater dissatisfaction will be tolerated (nonworking vending machines or pay telephones often get away with absolute theft because the 25¢ or 50¢ involved is not worth pursuing); on the other hand, a minor defect in an expensive purchase may yield a complaint (e.g., a nonsmoker might take his or her new $20,000 car back to the dealer of the cigarette lighter doesn't work).

The first of these is essentially the same factor we have found in our prior analyses of tort and discrimination grievances: context. In the analysis that we present below, we will draw on data drawn from four surveys in three countries to assess the relevance of "context/type of problem" in the consumer arena. Because of the variety of other factors that have been found to be associated with consumer complaining, we will include in our analyses as control variables those other factors when they are available. Before turning to our analysis, we describe briefly the data sets that we used and our method of analysis.

DATA SOURCES AND METHOD OF ANALYSIS

Data Sets

The data used in the analysis presented below comes from four surveys, all of which are included in the summary of complaining rates shown in Table 1:

- The household screening survey conducted by the Civil Litigation Research Project (CLRP) in 1980 that served as the basis of the analysis presented in Miller and Sarat (1980-81). These data are from 5,147 households in five federal
judicial districts around the United States. Interviews were conducted by telephone with household representatives; households were selected through a random digit dialing method that produces a clustered random sample. Those interviews revealed 559 consumer problems involving $1,000 or more which serve as the basis of our analysis.

The overall complaining rate for consumer problems in this survey was previously reported as 87% (Miller and Sarat, 1980-81: 537).

- A replication and extension of the CLRP survey carried out in Ontario in 1988 (see Bogart and Vidmar, 1988). This survey was sponsored by the Ontario Ministry of the Attorney General in order to obtain systematic data for Ontario on the incidence of the kinds of problems that typically lead to litigation and how those problems were handled. The survey was conducted by telephone. Random digit dialing techniques were used to sample 3,024 Ontario households; interviews were conducted with the "heads" of each household contacted. This survey found 241 consumer problems involving $1,000 or more (Canadian).

The overall complaining rate for consumer problems in this survey was previously reported as 71% (Bogart and Vidmar, 1988: 50b).

- The third data set was collected by Jack Ladinsky in Milwaukee County, Wisconsin (see Ladinsky and Susmilch, 1985). This survey was conducted in late 1980 using random digit dial techniques, and included 1269 interviews. Those interviews revealed a total of 881 consumer problems, with no limitation as to size.

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5The five districts are Eastern Wisconsin, Eastern Pennsylvania, South Carolina, New Mexico, and Central California.

6Earlier work by Ash (1980) and by Vidmar (1984, 1988; see also Vidmar and Schuller, 1987) concentrated on problems that might lead to small claims cases; the new survey focused on "middle range" problems that might lead to litigation in higher courts.
The key "claiming" question for each survey was:
United States: "Was a complaint made to anyone about this problem?"
Ontario: "Was a complaint made to anyone about this problem?"
Great Britain: "Did you do anything about the problem with [the item or service]?"
Milwaukee: "Did anyone from your household ever let the (seller/people who did the work) know about the problem in any way either by phone, letter, or in person?"

The overall complaining rate for consumer problems in this survey was previously reported as 75% (Ladinsky and Susmilch, 1985: 204).

The fourth data set was collected on behalf of the British government's Office of Fair Trading (1986). This survey, which was part of a large commercial omnibus survey, was conducted in person in late 1984 and early 1985. A total of 4,996 interviews were completed yielding information on 2,886 consumer problems, with no limitations as to amount involved. The overall complaining rate for consumer problems in this survey was previously reported as 76% (Office of Fair Trading, 1986: 21).

With the exception of the first two studies, there was no coordination of question wording or data collected. Different control variables are included in each data set, resulting in slightly different model specifications for each analysis. Because of these inconsistencies, major differences in results must be considered with caution.

Method of Analysis

Because our dependent variable--did complain versus did not complain--is a dichotomy and because we need to control for other variables to be able to assess accurately the relevance of the key variable of interest--context, we employ logistic regression. This method models the decision to complain as an unmeasured probability for which we have observed the actual realized behavior. The result is a linear model that resembles ordinary regression: the prediction

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7The key "claiming" question for each survey was:
United States: "Was a complaint made to anyone about this problem?"
Ontario: "Was a complaint made to anyone about this problem?"
Great Britain: "Did you do anything about the problem with [the item or service]?
Milwaukee: "Did anyone from your household ever let the (seller/people who did the work) know about the problem in any way either by phone, letter, or in person?"
is based on a linear combination of the independent variables; the major difficulty for interpretation is that the dependent variable is measured not on the constrained 0 to 1 probability scale \((P)\) but on the logistic scale \((L)\) which is a transformation of the probability scale that yields values that range from \(-\infty\) to \(+\infty\):

\[
L = \log \frac{P}{1-P}
\]  

The metric for \(L\) is unfamiliar and the values of the regression coefficients do not have the same kind of intuitive meaning associated with the analysis of a dependent variable on a familiar metric (e.g., predicting income measured in dollars).

To assist in the interpretation of our results, we can take advantage of the fact that the logistic transformation yields a value that is the equivalent of the log of the odds of complaining versus not complaining. A simple transformation of the logistic coefficients (the \(B's\), \(e^B\) (where \(e\) is the natural constant), yields a coefficient that can be interpreted as influencing the odds. The key difference in the model for odds as compared to the log odds is that the former is a multiplicative model while the latter is an additive model (i.e., we multiply together the variables weighted by their coefficients rather than adding them up). To facilitate this discussion, we should shift our discussion from complaining rates \((P)\) to complaining odds \((O)\):

\[
O = \frac{P}{1-P}
\]  

We noted in the previous subsection, overall complaining rates for each of our four surveys; the corresponding odds and log odds of complaining are:

- 6.69 1.901  Miller and Sarat study (large problems, U.S.)
- 2.45 0.895  Bogart and Vidmar study (large problems, Ontario)
The results shown in Table 2 differ only slightly from those reported in Zahorik (1990). In reprocessing the data for this paper, we discovered an error in the construction of the analysis data set for the U.S. data (the effect was to inflate the number of cases, and thus to artificially deflate standard errors), which we corrected; additionally, we have omitted one variable that was included in that earlier analysis: prior and/or additional problems. The effect of these changes are are minimal for the actual coefficient estimates.

Control Variables

The selection of variables to include as control variables is dictated primarily by what is available in each data set. Some of the differences in availability reflect the relevance of a particular variable in a particular setting; for example, Francophone linguistic heritage is relevant for Ontario but not for either the United States or Great Britain. We have sought to include variables measuring experience, education, resources, age, gender, type of problem, type and/or size of community of residence, and personal efficacy. The specific variables used for each data set can be identified from the results shown in Table 2 below.

RESULTS

Rather than present and discuss the results of our complete logistic regression models, we will concentrate on the impact of the variables that measure problem context: goods versus services, professional versus nonprofessional services, and cost of the item in question. Table 2 shows results for our initial complete models for each of the data sets; as one of us reported in an earlier paper (Zahorik, 1990), few of the control variables in fact contribute significantly in a

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8The results shown in Table 2 differ only slightly from those reported in Zahorik (1990). In reprocessing the data for this paper, we discovered an error in the construction of the analysis data set for the U.S. data (the effect was to inflate the number of cases, and thus to artificially deflate standard errors), which we corrected; additionally, we have omitted one variable that was included in that earlier analysis: prior and/or additional problems. The effect of these changes are are minimal for the actual coefficient estimates.
consistent way to explaining complaining behavior of consumers. The primary predictors of interest are shown at the top of Table 2; the additive coefficients for log odds are shown in roman and the multiplicative coefficients for odds are shown in *italics*. After briefly reviewing these baseline results for *goods vs. services* and for *costs*, we will turn to refinements of the analysis of the impact of the contextual variables for three of the four data sets; it is not possible to refine the analysis of the Milwaukee data because, with the exception of real estate brokerage services, professional services were not clearly delineated from nonprofessional services (and no cost variable is included in the data set).

These figures show that the odds of complaining are significantly higher for service-related problems in three of the four data sets: the odds of complaining are multiplied by 1.677 for the routine problems included in the Milwaukee study, by 2.015 for the problems involving CN$1000 or more in the Ontario study, and 2.943 for problems involving US$1000 or more in the U.S. study; only for the Great Britain study does there appear to be no difference in complaining rates for goods-related problems compared to service related problems. Interestingly, of the two study that include information on the amount involved in the problem, it is only in the study in Great Britain that the odds of claiming increase as the amount goes up: by 1.112 for each £100 (i.e., a little more than 10% per £100). These can be translated in effects on the complaining rate by selecting some baseline rate for comparison. Let us presume the overall rate for each study as a baseline.

- For the Milwaukee study, if the complaining rate for a typical goods problem is presumed to be 75%, then the rate for a service problem, all other factors remaining unchanged, will be 83%.  

---

9 The only control variable that shows up consistently as statistically significant is income of the respondent, with claiming more likely for those at higher incomes.

10 These figure is determined by first converting the baseline rate to an odds (Ω) by dividing that rate, expressed as a proportion (π) by its complement (1-π); one then multiplies the odds (Ω) by the odds effect to obtain a revised odds (Ω'); finally, one obtains the revised rate or proportion (π') by dividing Ω* by 1+Ω*
<table>
<thead>
<tr>
<th></th>
<th>Great Britain</th>
<th>Milwaukee</th>
<th>Ontario</th>
<th>United States</th>
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<tbody>
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<tr>
<td>(not employed)</td>
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<td>Divorced</td>
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</table>

*The italicized entries are the multiplicative odds effects; roman entries are additive log odds effects.*
- For the United States study, if the complaining rate for a typical goods problem (involving at least US$1000) is presumed to be 87%, then the rate for a service problem, all other factors remaining unchanged, will be 95%.

- For the Ontario study, if the complaining rate for a typical goods problem (involving at least CN$1000) is presumed to be 71%, then the rate for a service problem, all other factors remaining unchanged, will be 83%.

- For the Great Britain study, if the complaining rate for the median consumer problem which involves £20 is presumed to be 76%, then the rate for a problem involving £120, all other factors remaining unchanged, will be 78%; the rate for the mean consumer problem (involving £487) will be 84%; and the rate for a consumer problem involving £1000 will be 90%.

What happens when we start to refine further our indicator of type of problem by distinguishing between professional and nonprofessional type services? An earlier study of routine consumer problems conducted by one of the current authors (see Schuller and Vidmar, 1987), found that complaints were lodged in 84% of problems with services provided by tradesman versus only 39% of problems involving professional services. Let us first examine a refined analysis for the study from Great Britain. We reran the logistic regression for the English data in two different ways: first repeating the analysis separately for problems greater than and less than or equal to £100, and second distinguishing between professional and nonprofessional services (as well as between services and products). One problem we encountered in this latter analysis was that "cost" figures were not reported for many of the "professional" services.

Separating out the smaller problems had a clear effect on our analysis of the impact of cost and type of problems on complaining behavior. For smaller problems (N=1025), the distinction between goods and services problems still has no explanatory power for complaining behavior; however, within this range, the influence of cost on complaining is much stronger. Where we previously found a log odds effect of .106 per £100 we now find .663 which translates

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11 The multiplier for the last example is equal to 1.1129.8, where the 9.8 is equal to 10.00-.20; this reflects that £20 is .2 of £100 (the unit of cost used for the computation of the cost coefficient).
into an odds effect of 1.94 (compared to 1.11 for all problems); this means that the odds of complaining versus not complaining about a problem involving £100 is almost twice the odds for a problem involving only £1. Note that 73% of respondents having a problem involving £100 or less complained (odds = 2.65), and that the average problem in this group involved £19.

Looking at problems in Great Britain involving more than £100 (N=406), the initial analysis indicated that both cost and type of problem (goods versus services) are statistically significant predictors of complaining behavior, albeit just barely achieving significance at the .05 level. In fact, the level of complaining is so high for this group of problems, 91% complaining rate (odds = 10.6), that accounting for differences is likely to be difficult; cost and type of problems were the only two variables that statistical significance, and none of the others even approached significance. We refined this analysis by introducing a logarithmic transformation (base 10) for the effect of cost (i.e., instead of modeling the log odds of complaining as a linear function of cost, we modeled it as a linear function of the log of cost). This change had little effect on the other parameters, but the significance level for log of cost was much higher (.006) than was the case for the natural value of cost. The log odds effect for the log of cost was 1.173. This means that for each increase in cost by a factor of 10 (e.g., going from £100 to £1000), the log odds goes up by 1.173; in terms of odds, an increase in order of magnitude multiplies the odds by 3.23. Thus, if the complaining rate for a problem involving £100 is presumed to by, on average, 90% (odds = 9.00), the complaining rate for a problem involving £1,000 will be 96.7%

12While the effect is larger, the level of statistical significance of cost is .022.

13Note that doubling the odds at this level results in a complaining rate of .84.

14The p-value for both is about .041; for the problems involving £100 or less, the goods versus services variable did not achieve statistical significance by any standard.

15This transformation was done on cost measured in £1 units rather than in £100 units.

16Because when the rate exceeds 90%, small changes can translate to relatively large changes in odds, we will normally report rates over 90% with one decimal place rather than rounding off.
(odds = 9.00•3.23 = 29.07); for a problem involving £10,000, the complaining rate will be 98.9%
(odds = 9.00•3.23•3.23 = 93.9).

Of equal interest is the now significant effect of the goods versus services distinction. In
our original analysis, this variable was not only insignificant (in statistical terms) but it also had a
sign that was opposite to that for all of the other data sets (i.e., complaining was lower in goods
problems than in service problems); while this is still true for problems involving £100 or less, it
is not true for problems involving more than £100. The log odds coefficient for goods versus
services is .680\textsuperscript{17} which is right in line with the coefficients for Milwaukee and Ontario shown in
Table 2. This translate to an odds effect of 1.97 which means that, all else being equal, the odds
of complaining over a problem involving goods is about twice that of a problem involving
services; if we use a baseline complaining rate of 90% for a service related problem, the
complaining rate for an otherwise identical goods problem would be 94.7%.

Let us turn now to the Ontario data, which dealt with problems involving CN$1,000 or
more. As we noted above, the odds of claiming in service-related problems is about twice the
odds of complaining regarding a product-related problem; translated into rates, if the
complaining rate for a typical goods problem is presumed to be 71%, then the rate for a service
problem, all other factors remaining unchanged, will be 83%. We also noted the unpublished
findings from an Canadian study of smaller consumer problems (Schuller and Vidmar, 1987) that
found complaining rates of 67%, 84%, and 39% for problems arising from product purchases,
tradesman services, and professional services respectively. Distinguishing among these three
kinds of problems, produces roughly parallel results for the larger problems in our data set.
Using product problems as the baseline, the log odds coefficients for tradesman and professional
services are 1.498 and -.339 respectively; the corresponding odds effects are .712 and 4.473.
That is,

\textsuperscript{17}This is for the model in which cost is introduced in log form; for the model in which cost is
retained in its natural form, the coefficient for goods versus services is a virtually identical .636.
Technically speaking, the log odds effect for professional services does not differ significantly from zero, which means that it may be the case that the likelihood of complaining is the same for professional services problems and product problems. Both professional services problems and product problems have a likelihood of complaining that is significantly lower than for tradesman problems.

- the odds of complaining with regards to tradesman problem is about 4½ times the odds of complaining about a product problem;
- the odds of complaining with regards to a problem with professional services is less than three quarters of the odds of complaining about a product problem; and
- the odds of complaining with regards to a tradesman problem is more than 6 times the odds of complaining about a problem with professional services.

To compare complaining rates, assume that the typical complaining rate for a product problem is 73% (the overall complaining rate in the Ontario data);\(^1\) all else remaining the same, the complaining rate for a professional service-related problem will be 66%, and 92.4% for a problem with a tradesman.

What about the effect of the amount at issue? Interestingly, we were unable to detect any stakes effect at all in this data set. The logistic regression coefficient for stakes does not begin to approach significance, regardless of whether we enter it into the equation in its natural form (in units of CN$100) or in a logged form. It appears that once you exceed the CN$1,000 threshold, the likelihood of complaining is not influenced by further increases in the amount at issue. This does not mean that stakes has no effect at all. The complaining rates reported by Schuller and Vidmar were uniformly lower than our complaining rates which, without introducing control variables, were 79%, 90%, 61%. The median amounts at issue in Schuller and Vidmar's data set were CN$37, CN$300, and CN$350 for problems with products, tradesman services, and professional services respectively; in our data set, the corresponding medians are CN$2,000, CN$2,000, and CN$2,500.

\(^1\)Technically speaking, the log odds effect for professional services does not differ significantly from zero, which means that it may be the case that the likelihood of complaining is the same for professional services problems and product problem. Both professional services problems and product problems have a likelihood of complaining that is significantly lower than for tradesman problems.
For the United States data (problems involving US$1,000 or more), we can look only at the type of problem; data on the amount at stake are not available. The results again show that complaining is greatest for problems arising with tradesman services. The log odds coefficient for tradesman services is 1.656, which translates into a multiplicative odds effect of more than 5 (i.e., the odds of complaining with regards to a problem with a tradesman is more than five times the odds of complaining about a product-related problem). This is roughly similar to the effect found in the Ontario data. The odds of complaining in tradesman services problems is about 4 times the odds of complaining about professional service problems (somewhat less of an effect compared to what we found for Ontario). In contrast to Ontario, the odds of complaining about professional service problems was greater (though not in a statistically significant way) than the odds of complaining about a product problem; the odds effect was 1.343 (the log odds effect was .295, compared to -.339 for Ontario). To compare complaining rates, assume a baseline rate of 89.5% for product problems; all else remaining the same, the complaining rate for professional service problems and tradesman service problems would be 92.0% and 97.8% respectively.

DISCUSSION

The goal of this paper was to extend Zahorik's previous analysis (1990) of complaining regarding consumer problems in order to further specify the importance of the contextual elements influencing the potential for legal mobilization. For three of the data sets she considered, we were able to look at the differences among three types of problems: product problems, professional service problems, and other service problems; for two of the data sets we

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19 A stakes question was asked, but only for those respondents who complained; thus, we cannot use stakes to predict complaining behavior for this data set.

20 A test of significance for an effect of tradesman versus professional services produced a Z of 1.654 which justly barely achieves significance at the .05 level, one-tailed.
were able to consider in detail the relevance of the potential amount at issue. What we find is that these factors appear to be the most important variables accounting for consumer complaint behavior. The factors associated with resources and individual differences generally do not account for whether or not a consumer chooses to complain. The one possible exception (as shown in Table 2) is income: as income increases the likelihood of complaining goes up.

In a paper to be written for this year's annual meeting of the Law & Society Association, we plan to consider the pattern that we have now found across a wide variety of general problem types: the single best predictor of claiming behavior is consistently problem type. At each point in our analysis, we have further specified the nature of the grievance, and the indicator that we create is the best predictor of claiming behavior. While we have found a variety of resource and individual factors that account for claiming behavior, the particular variables differ from one analysis to another. Only problem context is a consistent predictor.

Why is this?

Good question!
REFERENCES


