

Suggested citation:

Šaara, Kirsi, Lisbeth Løvbak Berg, and Pål Strandbakken (2023) *Why won't you complain? Consumer rights and the unmet product lifespan requirements*. The 5th Product Lifetimes and the Environment (PLATE) Conference, Espoo: Aalto University, pp. 563-568. Available at: <http://urn.fi/URN:ISBN:978-952-64-1367-9>

Editors Kirsi Niinimäki and Kirsti Cura,
Aalto University



PLATE
Product Lifetimes
And The Environment

PROCEEDINGS

5th PLATE Conference
Espoo, Finland

31 May – 2 June
2023



Aalto University
School of Arts, Design
and Architecture

Aalto University publication series

ART + DESIGN + ARCHITECTURE 3 / 2023
ISBN 978-952-64-1367-9 (electronic)
ISSN 1799-4861 (electronic)

5th PLATE 2023 Conference
Espoo, Finland - 31 May - 2 June 2023

Why won't you complain? Consumer rights and the unmet product lifespan requirements

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Keywords: Complaint; Regulation, Consumer behaviour, Quality, Acquisition.

Abstract: The consumer purchases act is one of the cornerstones for ensuring that businesses are liable for defective or faulty products that do not meet the minimum requirements for lifespans. However, this right is too seldom used by consumers. This paper discusses the reasons for not complaining based on six consumer focus groups, where in total 36 consumers described furniture, electronics, and textile products that they were dissatisfied with. Many complaints were not made due to consumers' cost-benefit evaluations, where they considered the economic costs, time use, and the needed effort, as well as the probability of getting the complaint accepted. Many participants lacked the competencies required to make the judgment when the right is applicable and where and how to proceed. Further, the expectations based on price and brand, properties of the product such as materials, as well as the type of fault and its relation to use were important. Strengthening and extending consumer rights to complain are discussed as an important part of the strategy to increase the quality of goods and extend their lifetimes. The findings show barriers and opportunities to the efficacy of this strategy that is highly relevant for policy development. There is a need for clear guidelines on what the consumer rights are for the specific products, what is considered unacceptable abrasion and normal use, and differentiation between commercial warranties and legal rights. Complaints are an important avenue for businesses to gain information about the performance of their products, and for legal durability expectations to be enforced.

Introduction

Consumer rights legislation is one of the cornerstones for ensuring businesses' liability for defective or faulty products that do not meet the minimum requirements for lifespans (EU, 2011). Therefore, consumer complaints have the potential to influence product lifetimes indirectly. According to Hirschman's Exit, Voice, and Loyalty theory (1970), when confronted with poor-quality products, consumers can choose to exit (leave the liaison), voice the complaint and thus attempt to repair or improve the situation, or they can choose to remain loyal to the manufacturer, despite the negative experience. Consumer awareness, knowledge and activity, supported by a legal framework, are key factors in developing well-functioning markets and reducing the amount of faulty and low-quality products.

In Norway, the Consumer Purchases Act (Forbrukerkjøpsloven, 2002) gives consumers the statutory right to complain to the seller in the event of errors or defects in purchased goods within a two- or five-year period post

acquisition, depending on the expected lifespan of the product. Similar legislation is in place in all European countries, but with varying time limits from a minimum of two years (Forbruker Europa, 2018). If the manufacturer or seller cannot repair the product, the buyer will have the right to receive a new product or a refund; withdrawal or compensation, depending on the type and size of the defect.

The proposal for the Green Claims directive in the EU will further improve consumer rights by ensuring that consumers obtain reliable and useful information about products, e.g., on their lifespan and repair options, to prevent greenwashing and sale of products with a covertly shortened lifespan (EC, 2023). Such legal measures are meant to discipline the suppliers, bringing better quality and repairable products to market.

In this paper, we will discuss consumers' dissatisfaction with products and why it often does not lead to complaint to the seller, even when the legal basis for making the complaint

exists. Further, we will propose measures that could increase the complaint rate for faulty products, as a potential pathway for producers to improve their products based on feedback from their customers.

In the next sections, we briefly introduce the theoretical background and our method based on consumer focus groups. We focus on three high-impact categories: household appliances, furniture, and textiles.

Background

A number of studies have focused on consumers' complaint behaviour (CCB) from various countries and product and service areas (Arora and Chakraborty, 2020). CCB studies in Norway have shown that consumers surprisingly seldom use their right to complain. EU's Consumer Markets Monitoring Survey (MMS) carried out in 2019-2020 showed that between 8% and 16% of consumers had experienced problems with the products/services they purchased where they felt they had a legitimate cause to make a complaint (Alecú, 2021; EC, 2020). The share was higher among Norwegians than the average of EU27 concerning all product groups studied in this paper. Further, a higher share of Norwegians proceeded with the complaint (72%-90%) than the average of EU citizens (49%-62%). This may relate to around 34% of Norwegian consumers displaying a high level of knowledge of consumer rights, which is among the highest scores in Europe (EC, 2021), but still shows that the great majority only have a low or medium level of knowledge regarding their rights (Alecú & Dulsrud, 2022; EC, 2021).

Other recent studies conducted in Norway show a much higher share of consumers experiencing problems, and a smaller share that complains. For example, in a survey where consumers were first introduced to their rights, a total of 36% reported having had problems with their clothing purchases, which is three times more than the MMS data indicates. Furthermore, only 44% of them had made a complaint, which is less than half of what was reported in MMS data (Bøyum et al., 2017).

One recent study from Norway has examined reasons for not complaining, and it only applies to online purchases. The main reasons were related to the respondents being unsure about their rights and difficulties in finding the right

channels for complaints, the effort required compared to the price of the product or service, finding the necessary documentation, as well as previous bad experiences and not trusting that the problem could be solved (Alecú & Dulsrud, 2022).

General EU data indicates that the most common reasons for not complaining about recent clothing and footwear purchases were that the respondents had either resolved or fixed the problem themselves, couldn't be bothered, or didn't have time. These were followed by not thinking the problem was serious enough, or that the complaint would not be taken seriously. Some also relied on their previous experience of complaining and thought it wasn't worth it, while others didn't know how to complain or whom to contact, or felt that they were not good at complaining (EC, 2020). Several of the studies indicate that when complaints first were made, around 80% of cases were solved in favour of the complainant (Alecú & Dulsrud, 2022, Strandbakken & Bøyum, 2017).

Arora and Chakraborty (2020) conducted a comprehensive CCB literature review, and summarised CCB antecedents in five main topics:

1. Personal including the willingness and capability to stand up for one's interests, attitudes, demographics and personal characteristics such as extraversion and impulsivity, self-efficacy, perceived self-importance, emotions and time constraints.
2. Situational including likelihood of success, perceived responsiveness of the seller, cost-benefit expectations, type of failure and its severity and the associated perceived loss.
3. Cultural differences that represent a complex system of knowledge, norms, beliefs, values and morals that guides the formation and interpretation of shared meaning.
4. Relational including the relationship with the seller/manufacture (duration, strength, trust, affection, etc.) prior experience with the firm, perception of the interactions, and psychological cost of switching.
5. Structural antecedents include macro-level regulatory policies as well as industry structure and its competitive nature.

Grønhaug and Gilli (1991) suggest that it is possible to use a transaction cost approach to study consumer dissatisfaction and complaint actions.

Method

The material is based on six consumer focus groups conducted in Norway, where we discussed product lifespans based on concrete examples that the participating 36 consumers gave on their furniture, electronics, and textile products. Before the interviews, they sent photos of products that they were either satisfied or dissatisfied with. A surprisingly high share of the descriptions were about malfunctioning products, where the consumers could have made a complaint based on the Consumer purchases act, but often had not done it.

The focus groups varied in location (Oslo or Trondheim), gender distribution (female, male or mixed groups), level of environmental awareness (high or mixed), and whether the participants had small children. 53% of participants were women and 47% were men. The participants' ages varied from 22 to 76 years, with an average of 46 years. All groups were administrated by two researchers in the project, rotating between three researchers. The focus groups were recorded and later transcribed verbatim, coded with Nvivo program, and analysed by the same researchers. All citations from the interviews are nominated by participant pseudonym, age, and gender (F or M).

Results and discussion

The interviews on products that the informants were dissatisfied with showed that the faults often appeared within the liability period, but many consumers had not complained.

Evaluation of costs and benefits

Large share of evaluations on whether to bother to start the complaint process are based on cost-benefit thoughts, as described by Grønhaug & Gilly (1991). The evaluations vary mainly between economic cost, time use and the needed effort, as well as the assessed probability of getting the complaint accepted.

Benny (66M): Yeah, I've been complaining so much lately, that you get tired of it. What I bought was on sale, so it didn't cost much, so

sometimes it's almost worth just changing the jacket than complaining because... it is not really pleasurable to go and whine and complain. But I do it if I feel there is a need or I have to, or find it worthwhile. But I think that case is, I don't think it's worthwhile to complain so I'll just leave it at that. Just saving myself. Physically and mentally, so to speak (chuckles). This also shows how the whole experience of complaining is felt as something unpleasurable, which the respondent prefers to avoid unless here is a strong need for it.

Two fathers discuss how they do not bother to spend time on complaining about cheap children's clothing.

Erik (33 M): And you can't be asked to spend the time on it if the price was 50 NOK [5 Euros]. Edgar (40 M): No, it costs more in road toll to get to the shop to complain than you paid for... It's pointless actually.

The evaluation of costs and benefits reduces the complaint rate, especially on low-cost products, such as many clothes or small electric appliances. The respondents also described how the effort got bigger when there were other practical issues connected, such as difficulty to transport large or heavy items.

Instead of complaining, some respondents also described that after some bad experiences, they turned to other retailers instead and chose an "exit" strategy (Hirschman, 1970). In such cases, it would have been profitable for the retailer to get information about the defective product, and get a possibility to retaliate the situation to keep the customers.

Knowledge

There were several sources of confusion and a lack of knowledge concerning the legislation. In general, the extended liability period of five years was less known and created some confusion about which products it applies to, as expressed by Betty (48F): *I didn't know it was five years! I thought it was two years for everything.*

Some consumers linked this to price, rather than the product category. Previous survey research with a test question on mobile phones showed that only 34 % (and only 25 % of the women) believed that they had a right to redress after 3 ½ years (Strandbakken & Bøyum, 2017).

Another set of confusion was found between commercial producers' warranties and regulated consumer rights. A warranty is an agreement between the consumer and the manufacturer or retailer that in principle has to give consumers better rights than those provided by the regulations, although this rule is not always followed by the retailers.

The consumers also struggled to recall when and where some of their purchases were made, which was a problem as you would not know how old the product is, or where to place the complaint if needed, as described by Edgar (40M): *When you have no idea where you bought this particular bodysuit. Then, how do you complain? Yes, I do have a receipt for a bodysuit, but for which one? I don't bloody know. Then, you just don't. It doesn't work.*

Defects that are a result of wear and tear or because of improper or abnormal use are not considered to be deficiencies covered by the Consumer purchases act (Torgersen, 2020). This makes it more difficult to know when there is a legitimate ground to complain. Further, the legislation specifies that the complaint should be placed "within a reasonable time" after the defect should have been discovered. This reasonable time is considered to be two months and can be passed for example when the product is not taken into use right after the acquisition, or when the defect comes gradually, and the consumer does not react to the first signs.

Burden of proof

Our material also revealed examples of cases where rightful complaints were not accepted, and the seller was not aware of the burden of proof aspect. Betty (48) talks about three tops that she purchased (Figure 1):

Betty (48F): *I bought three tops this summer, used one of them and when I washed it, it shrank. The washing instructions said 40 degrees, I washed it at 40 and had to stretch it on both sides but it remained too short. I went back to the shop and received a new one. But the same thing happened to all of them. Then, when I came back and told them, they didn't believe me. It was me who had done it wrong... thought I'd washed at 60 and... They should last more than one wash.*

The seller has the burden of proof for any faults that become apparent within 6 months of the item being delivered, while the consumer has to prove that the fault can be traced back to the time of purchase if the defects become apparent after the 6 months. Betty's tops were less than 6 months old, so the seller would have needed to prove that Betty had washed them wrong.



Figure 1. One of Betty's shrunken tops.

Materials and receipts

The three studied product groups vary in size, weight, volume, and price, which all have consequences for the potential complaint process. Many of the participants showed they had some expectations base on price and brand, as well as materials. In general, the expectations of the length of product lifetimes have decreased (Gnanapragasam et al., 2017). This seems to influence textiles the most:

Astrid (39F): *Also everything has a certain lifespan. It's textile, and a garment, so it's not supposed to last for ten years, I think. [...] Because it is a textile that you wear, that you stretch and bend [...] It is living, fibers and materials.*

Aksel (72M): *It is a bit strange, but that might be because I don't buy much [clothes], I can't see what... you don't really consider complaining*

when dissatisfied, you just think that you did a mistake purchase and get rid of it.

Having to take care of receipts was a recurring problem for our informants:

Clara (76F): *Another problem with paper receipts, they...*

Cate (44F): *Loose colour*

Clara: *...tend to disappear (other participants affirm). Even if they are kept in paper envelopes, are in a plastic folder or whatever, the text disappears.*

Electronic receipts can solve many of the problems related to paper receipts, but they have their downsides too:

Emil (37M): *things have turned a bit simpler now, as they register things on you; asking for the phone number or e-mail and such, so it is... They save the receipt for you. I haven't quite figured out why they bother to do that?*

Edgar (40M): *It is just as much about them wanting to know as much as possible about you, so that they can customize and send more advertisements for you, and see that "this fellow previously bought similar things, he might fall for this offer". That's what it's all about.*

Conclusions

Strengthening and extending consumer rights to complain is an important part of the strategy to increase the quality of goods and extend their lifetimes. It is both an important avenue for businesses to gain information about the performance of their products, and for legal durability expectations to be enforced. The findings show barriers and opportunities to the efficacy of this strategy that is highly relevant for policy development.

Our findings show how the complaint process should be made easier for the consumers, so that the transaction cost of using time, effort, and money, as well as related uncertainty, is reduced. The uncertainty of the outcome can be reduced through several measures, including clear guidelines on what the consumer rights are for the specific products (two or five years), what is considered acceptable and unacceptable abrasion during normal use, information about the seller having the burden of proof responsibility for the first six months, and clear information on the benefits of commercial warranties that may come in addition to the legal rights.

The instructions concerning the applicable rights should be made clearer not only for consumers but also businesses, and in case of disagreements, information on how to proceed so that they can be mediated by consumer organizations.

In addition to clearer guidelines, there are possibilities for new technical solutions to facilitate the storage of receipts and purchase information related to each product, which was especially problematic for low-priced items that the consumers had many of. Digital product passes may be developed with this in mind, and could also include information about consumer rights.

Acknowledgments

The research is part of the LASTING-project financed by the Research Council of Norway (project-ID 303080).

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