

Speak up to resolve complaints

Companies are more likely to try to satisfy the squeaky wheels.

You're having a problem with a product or service, and the company says you're out of luck. Maybe it's an appliance with an expired warranty. Or perhaps your insurer low-balled your claim for damages to your car or home.

If you simply walk away—and companies hope you'll do just that—you've failed the squeaky-wheel test. But if you complain effectively, you could be among those who get satisfaction no matter what the fine print or surly customer-service rep says.

ASSERTING YOUR RIGHTS

"Most people suck it up and walk away and never do anything to assert their rights," says Amy Schmitz, a professor at the University of Colorado School of Law and author of a recent study, "Access to Consumer Remedies in the Squeaky Wheel System," published in the *Pepperdine Law Review*. She explained that many companies have two approaches to customer service: one for the majority of customers, who retreat after a quick brush-off, and another for the "squeaky wheels"—consumers who know their rights and the power their wallets yield. "The whole point is you need to speak up as a consumer and empower yourself," Schmitz says.

Steve Bepko of Escondido, Calif., is a good example of a squeaky wheel. He spent months battling La-Z-Boy over a broken mechanism on one of the two recliners he bought in the 1980s. The mechanism had a lifetime warranty, but parts were no longer available. After giving him a hard time for not having the original receipt, the company offered him a 50 percent discount on any single future La-Z-Boy purchase up to \$500. When Bepko persisted, the company instructed him to ship the recliner back to the factory at his own expense, as outlined in the contract terms. Bepko took the complaint to the company's Facebook page,



Don't let a warranty that has expired prevent you from complaining about a malfunctioning appliance.

getting his friends and relatives to chime in. La-Z-Boy finally offered to repurchase both of Bepko's recliners for \$200 apiece, about two-thirds of the amount he originally paid, an offer he accepted.

Companies know most complaints won't go that far. They figure you probably won't have the time, patience, or know-how to pursue the issue, Schmitz says. And they expect that consumers will feel morally obligated to comply with the contracts they sign, no matter how onerous the provisions. Companies count on your being embarrassed about complaining or worried that you'll be viewed as a pest or someone trying to beat the system.

The runaround that you often get when you have a complaint is deliberate, Schmitz says. Companies might use delay or ignore tactics; they might ignore e-mail and make it hard to get through to a live person. If do you manage to reach a company representative, he or she might make a "compro-

mise" offer instead of giving you full satisfaction. All this is designed to contain costs, boost profits, manage negative publicity, and discourage lawsuits or complaints to government agencies.

START SQUEAKING

Here's what you should do to become a squeaky wheel:

Examine the details. Your first step to resolving a problem comes before there even is one—when making a purchase. Review the terms, looking beyond the price, warranty, or other basics. Companies often make the fine print long and difficult to read, a technique that is known as "shrouding." Studies show that consumers tend to be overly optimistic about the fine print, focusing on the positive aspects that confirm their decision to buy a product. Though it's sure to be tedious, you should comb through the company's refund policies, frequently asked questions, and terms and conditions.

But don't give in if companies try to use some bit of the fine print to brush off your complaints. They sometimes include provisions that won't hold up in court or that they have no intention of enforcing if they might lose customers as a result. Nor do they want to deal with complaints to government consumer agencies, courts, or the Better Business Bureau.

Understand your rights. The more informed you are, the harder it is for a company to slip one past you, either before or after buying. If you have an issue or question, use the Web to find legal resources. Try government sites, such as the Federal Trade Commission (ftc.gov) or your state attorney general or consumer protection department (usa.gov/directory/state_consumer/index.shtml).

Try complaining nicely. Be specific about what you want—a refund, a replace-

ment, or something else. A company is more likely to try to satisfy good customers, so let it know that you and your family are frequent shoppers and that you like its products or services. If you go in guns blazing, the company might figure it has already lost you as a customer.

Be persistent. Don't be discouraged if the first person you contact is unsympathetic or unwilling to help. Customer-service representatives might lack the authority to help or make changes to the fine print, Schmitz says. Studies have found that some reps harbor subconscious prejudices against certain people, such as women or members of minority groups.

Ask to speak with a supervisor or retention specialist, or write the chief executive officer (search the Web to find the person's name). Some companies have teams that respond to persistent complainers. And some have "good will" programs to placate squeaky wheels with expired warranties.

Get serious. If you're still being rebuffed, let the company know that you're upset and will tell others—in person and online—of your dissatisfaction. Businesses don't want you bad-mouthing them, whether it's to friends and relatives in person or strangers on the Internet. Studies show that dissatisfied consumers will complain to an average of 21 people along with posting their gripes online. Companies also know that if they placate you, you'll probably become more loyal than if you

had no complaint to start with. Last, it's roughly five times harder for companies to attract new customers than keep current ones, making it a lot less expensive to send a replacement dishwasher, for instance, than to replace you.

Don't settle. Businesses might offer a morsel—perhaps a discount on another product—instead of fixing or replacing the item you're dissatisfied with. Don't assume a mediocre offer is the best they'll do.

Enforce your rights. Follow through with postings on Facebook, message boards, and elsewhere, as well as with complaints to government agencies and other third parties, such as the Better Business Bureau. If all else fails and you still think the law is on your side, send a certified demand letter threatening legal action. Be prepared to follow through with a lawsuit in small-claims court. If a lot of money is at stake, contact a consumer attorney. You can find one by going to the National Association of Consumer Advocates' website, at naca.net.

Report it anyway. The squeaky wheel system is designed to stop complainers from spreading the word. So don't let a positive outcome buy your silence or turn you into a gushy corporate groupie. Remember, others might be having the same problem you did. Post the issue on product-review pages or elsewhere online, including details about how you got the company to acquiesce. 💰

Don't let the retailer off the hook

If you're having a problem with a product, don't let the merchant shunt you off on the manufacturer. Sure, the retailer didn't make the product or provide an express warranty, but it did take your money and it is legally obligated to give you what you paid for, even if the store's return period has expired. The only exception is if the store sold the item as-is, a practice that about a dozen states and Washington, D.C., prohibit for most consumer products.

So don't ship the product back to



the manufacturer at your expense and wait weeks for a refurbished model. Instead, return it to the store and insist on a new product replacement or a refund. Of course, you can pursue your complaint with the manufacturer as well. One thing a manufacturer doesn't want to hear is that you're going to give the merchant a hard time over one of its products. Keeping the major retailer account is more important to that manufacturer than whatever it will save by ignoring your complaint.

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Made in U.S.? Don't be fooled



Given a choice between a product made in the U.S. and an identical one made abroad, 78 percent of respondents to a

recent Consumer Reports survey said they would prefer the American version, and many would pay extra for it. So how do you know if a product is made in the U.S.?

► **Read labels carefully.** Only cars, textiles, furs, and woolens are required to reveal their American heritage. Many companies boast of an American connection for reasons of pride, patriotism, or profit. But they must follow federal labeling regulations to avoid misleading or deceiving consumers, though the rules allow plenty of leeway. So look for exact wording such as "made," "manufactured," or "assembled" in the U.S.

► **Contact the company.** Consumer Reports researchers tracked down dozens of well-known nameplates—All-Clad, American Apparel, Crayola, KitchenAid, Oreck, Stihl, Viking, Whirlpool, and Wolf, to mention a few—that still make products in the U.S. or assemble them here. Brooks Brothers, Lands' End, L.L.Bean, New Balance, and Orvis have product lines that are made in America. Phone or e-mail the firm's customer-service department if you have questions about the origin of specific products.

► **Search the Web.** Some websites list companies that make their products in the U.S. They include americansworking.com, madeinamericaforever.com, and madeinusa.org.

Tod Marks has covered shopping trends for CONSUMER REPORTS for more than 20 years.