

**STATE OF CALIFORNIA  
DEPARTMENT OF CONSUMER AFFAIRS**



**2007 CONSUMER SATISFACTION STUDY**

**FINAL REPORT OF  
CUMULATIVE 2007 ANNUAL SURVEY RESULTS**

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## **EXECUTIVE SUMMARY (FIVE PAGES)**

### **METHODOLOGY**

- \* This is the third annual consumer satisfaction study of the California Arbitration Certification Program administered by the Department of Consumer Affairs. Aurora Research Group attempted to conduct a census of all consumers whose vehicle arbitration cases were closed in each of the four quarters of 2007, using a hybrid design. Telephone interviews were first attempted, followed by mail surveys sent to all those who could not be reached by telephone. Four quarterly survey waves were conducted. This annual report combines results from all quarters in 2007.
- \* Of the combined total of 1,681 program participants who were invited to participate, surveys were completed either by telephone or by mail by 538 program users, for an overall response rate of 32%. Results for the entire annual 2007 study are considered accurate to within plus or minus 3.5%, nineteen times out of twenty.
- \* Approximately half of all respondents reported contacting the Arbitration Certification Program for assistance in 2007, the same percentage as in 2006.
- \* Three in four respondents (76%) had their hearing conducted in-person, which is comparable to 2006 (82%). Sixteen percent had hearings by documents only and the remaining 8% had their hearing via a teleconference call.
  - ✗ In terms of the level of participation by vehicle manufacturer's representatives, significantly more showed up in person at the arbitration hearing in 2007 (54%) than in 2006 (44%).

### **FAMILIARITY WITH LEMON LAW & ARBITRATION PROCESS**

- \* Once again, it was found that California's Lemon Law and arbitration process was not particularly well-known among California consumers: in 2007, only a quarter (25%) of all respondents said they were familiar with the arbitration process prior to purchasing their vehicle. This is similar to the percentage in 2006 (24%), but is significantly lower than the 30% in 2005 who said they were familiar with vehicle arbitration.

### **OUTCOME OF ARBITRATION HEARING**

- \* Consistent with the two previous annual results, respondents who received awards as a result of their arbitration were significantly more positive in their evaluations of all aspects of arbitration than were respondents who did not receive awards. Results are therefore presented by arbitration outcome.
- \* Nearly four in ten (39%) of all respondents received an award as a result of their vehicle arbitration in 2007, a similar percentage to that in both 2005 and 2006.
  - ✗ For the first time, in terms of demographic characteristics, ethnicity distinguished those who received an award from those who did not – Caucasians were more likely than any other group to have received awards in 2007. This should be watched in the future. No other distinguishing demographic features were found.
  - ✗ Owners of Ford and General Motors vehicles and those whose cases were processed through the Better Business Bureau Auto Line Program were the most likely to have received an award.
  - ✗ The most frequent type of award received was a vehicle buyback.

## OVERALL EVALUATION OF ARBITRATION PROCESS

### Providing a Valuable Service for Consumers

- \* Nearly nine in ten of those who received an award felt the arbitration process provided a valuable service for consumers, versus only a quarter of those who did not receive an award.
  - x Among respondents who received an award, significantly fewer respondents in 2005 than in either 2006 or 2007 felt that the arbitration process was valuable. There was no difference among the three years for those who did not receive an award.

### Perceived Bias

- \* The vast majority (84%) of those who did not receive an award felt the arbitration process was **biased in favor of the vehicle manufacturer** while the majority (81%) of those who received an award felt the process was **neutral and unbiased**.
  - x Among those who received an arbitration award, significantly fewer respondents in 2005 felt the arbitration process was neutral and unbiased, compared with either 2006 or 2007. There were no differences in perceptions over time for those who did not receive awards.

### Satisfaction with Personal Arbitration Experience

- \* Eighty-two percent (82%) of respondents surveyed who received arbitration awards during 2007 were **satisfied with their own personal experience** with the entire arbitration process while only 22% of those who did not receive an award were satisfied.
  - x Overall personal satisfaction with the arbitration process was significantly higher this year and last year than in 2005, but only among those respondents who received arbitration awards.
  - x Personal satisfaction did not vary by type of vehicle, method of arbitration, administrative service or demographic characteristics. The only distinguishing feature affecting ratings of overall satisfaction was whether or not an award was received as a result of arbitration.
- \* Ratings of arbitration as being a fair and fast process also depended on outcome: among those who received awards in 2007, the vast majority (81%) felt the process was both fair and fast. Among those who did not receive an award, only a few (10%) felt the process was fair and just over half (54%) rated it as fast.
  - x Fairness was more important to respondents than speed.

### Assessment of Hearing Outcome

- \* Seventy-one percent of respondents who received awards felt the outcome decision was “very fair” and about the same percentage of those who did not receive awards felt the outcome was exactly the opposite (“very unfair”).
- \* Ratings of fairness were dependent on the type of award received – those whose vehicles were **bought back or replaced** were significantly more positive than those who received an agreement to pay for past and/or future repairs, or something else.

## EVALUATION OF VEHICLE MANUFACTURER INTERACTIONS

- \* Fewer than half (regardless of outcome) were happy with their interactions with the vehicle manufacturer’s representatives throughout the arbitration process, although respondents who received awards were more positive than those who did not.

- ✘ Award-winning respondents were significantly more positive in their overall ratings in 2007 (40%) than in 2005 (29%); however, all other evaluations remain consistent with previous survey years (2005 and 2006).
- ✘ Toyota owners and respondents whose cases were administered by the California Dispute Settlement Program were the most positive in their overall evaluations of the vehicle manufacturer's representatives.
- \* **Courtesy** was the most important factor in terms of overall satisfaction with the vehicle manufacturer's representatives, followed by the accuracy of the information provided regardless of arbitration outcome.
- \* Of all those surveyed, three in ten (31%) received a manufacturer's offer to settle the case prior to the arbitration hearing, which is similar to the results of the 2005 and 2006 surveys.
  - ✘ It was also found that, as in previous years, those who received awards were more likely to have been approached with an offer than those who did not receive awards. Similarly, General Motors, Ford, Volkswagen/Audi, and Nissan/Infiniti vehicle owners were more likely to have been approached with an offer than Toyota owners.

## EVALUATION OF ADMINISTRATION SERVICE

- \* Overall, ratings of the administration service were more positive than evaluations of the vehicle manufacturer's representatives. They were also dependent on arbitration outcome: those who received award gave the highest ratings for being knowledgeable about the process and providing reliable information and assistance. On the other hand, those who did not receive an award gave the highest ratings for their administration service's timeliness in setting up the hearing, followed by being easy to reach.
  - ✘ Among award recipients, positive evaluations of interactions with their administration service continue to be the same level in 2007 as in 2006, which is significantly higher than in 2005. However, among those who did not receive awards, the results remained relatively stable.
  - ✘ Respondent demographics and vehicle manufacturer significantly influenced the evaluations among those who did not receive arbitration awards.
  - ✘ Evaluations did not vary by administration service.
- \* The most important aspect of overall satisfaction with the administration service varied by arbitration outcome. Among award recipients, it was providing reliable information and assistance, while being knowledgeable about the arbitration process was the most important aspect among those who did not receive an award.

## ASSESSMENT OF THE ARBITRATOR (TELECONFERENCE & IN-PERSON MODES ONLY)

- \* The vast majority – at least 90% – of award recipients rated each aspect of the arbitrator positively, giving the highest ratings for courtesy, professionalism, and knowledge about the process and the law. Although participants who did not receive awards were consistently less positive in their arbitrator evaluations, the highest ratings for interactions with the arbitrator almost mirrored those of award recipients, including: courtesy, professionalism and knowledge about the arbitration process.
  - ✘ Among award recipients, the current level of satisfaction with the arbitrator was similar to that of 2006, which had increased significantly from 2005 in almost every aspect evaluated.

- ✘ Evaluations of the arbitrator's professionalism has decreased significantly since 2005 among those who did not receive an award.
- ✘ Education influenced how award recipients rated the arbitrator in terms of knowledge about the case, while ethnicity seemed to affect those who did not receive an award and how assessed the arbitrator's professionalism, knowledge about the process, and overall interactions.
- \* Fairness was the most important aspect in terms of overall satisfaction with the arbitrator among those who received an award. Professionalism was the most important aspect among those who did not receive an award.

## MOST IMPORTANT PROCESS TO CONSUMERS

- \* Although evaluations of the vehicle manufacturer's representative, interactions with the administrative service, and evaluations of the arbitrator all contributed to overall satisfaction with the entire arbitration process, **satisfaction with the arbitrator** continues to be **the most important** part of the process to consumers.

## SPECIFIC EVALUATIONS WITHIN MODE OF ARBITRATION HEARING

- \* In general, participants whose cases were arbitrated via teleconference call felt their scheduled time was convenient (85%) and considered the transmission quality of the call to be "good" or "excellent" (83%).
  - ✘ Those who conducted their hearing via teleconference were significantly more likely to say the call quality was "excellent" and the scheduled time was "very" convenient in 2007 than in previous surveys.
- \* In-person hearings were held in cities throughout the state, although half took place in the greater Los Angeles area. Better Business Bureau offices were by far the most common site of the in-person hearings (72%). Other venues mentioned included car dealerships, hotels, and public libraries.
  - ✘ The proportion of arbitration hearings held at Better Business Bureau sites dropped significantly from 2006 (83%) to 72% in 2007, offset by a jump in hearings held at dealerships (from 8% in 2006 to 17% in 2007).
- \* The time and location of the arbitration hearing were convenient for the majority of respondents who attended the in-person arbitration hearings among those who received and did not receive an arbitration award. Nearly all respondents who had their cases arbitrated in-person rated the environment of the hearing location as "private" both among those who received an award (97%) and those who did not (91%).
  - ✘ Other than venue, the 2007 evaluations of the in-person hearings were consistent with the results found in the 2006 and 2005 surveys.

## IMPROVEMENT OF PROCESS

- \* The vast majority of respondents who received an award said they would want the hearing conducted the **same** way if they had to go through arbitration again, while the vast majority of those who did not receive an award would have it conducted differently.
  - ✘ Among those who received an award, significantly more believed that they would conduct the hearing the same way if they had to go through the process again in 2007 (90%) than in 2005 (79%). However, award recipients who had hearings in person or via teleconference were more likely to be willing to repeat the same hearing process than those who had a hearing by documents only.

- ✘ Among those who did not receive an arbitration award, the 2007 results were the same as those of previous surveys.
- \* Nearly nine in ten of respondents (88%) who received awards would likely recommend the arbitration process to a friend, compared with only 29% of those respondents who did not receive awards.
  - ✘ Regardless of arbitration outcome, the likelihood of recommending arbitration remains the same in 2007 as in previous annual evaluations. Similarly, there were no group differences.
- \* Not surprisingly, there were more suggestions for improvement from respondents who did not receive awards than from those who did.
  - ✘ Those who **received awards** were more likely to suggest improvements that involve:
    - a better **understanding of** the process
    - a quicker **process, and**
    - issues regarding the hearing location.
  - ✘ Those who **did not receive arbitration award** were more likely to
    - comment on the arbitrators in terms of needing more vehicle knowledge, being less biased, and listening to the consumer among other arbitrator issues, and
    - suggest the process be fairer.
  - ✘ Regardless of hearing outcome, issues about the hearing process and the manufacturer's representatives were brought up by respondents, as well as a desire for legal representation, improved communication, and a requirement that the manufacturer's representative be present at the hearing.

## DEMOGRAPHICS

- \* As in previous survey years, the plurality of survey respondents who had vehicles arbitrated in 2007: were males, were aged between 35 to 44 years, were well educated (college degree or higher), were Caucasian, lived in households with annual incomes of \$100,000 or more, spoke English at home, had home computers with Internet access, and owned their vehicles. The median number of vehicles in the household was two. Most respondents owned their vehicle and had purchased it new.

## PROJECT BACKGROUND & STUDY DESIGN

### Research Objectives

Aurora Research Group was contracted by the California Arbitration Certification Program (ACP) to continue its ongoing evaluation of consumer satisfaction with the arbitration process offered by car manufacturers and overseen by the Department of Consumer Affairs.

Specific objectives of the research were to:

- Assess overall satisfaction with the Arbitration Certification Program (ACP) and with the different dispute resolution programs, manufacturers' representatives, and individual arbitrators,
- Measure the effectiveness of each dispute resolution program by evaluating aspects such as the ease of understanding the materials, the timeliness of the resolution process, and the convenience and location of the hearing,
- Understand attitudes about the programs, including perceived value and fairness, and the likelihood of recommending it to others,
- Compare current results with those of the 2005 and 2006 studies, and
- Gather demographic information of program users.

The results presented in this report represent the **annual results** of the combined four quarterly surveys conducted in 2007, based on arbitration cases closed in 2007.

### Sampling Design and Response Rate

Aurora Research Group continued the hybrid sampling design which involved conducting a census of ACP users whose cases closed in 2007. In our attempt to gather input from all users, we conducted telephone interviews and followed up with mail surveys sent to all those who could not be reached by telephone.

ACP provided Aurora Research Group with an electronic list of names and addresses of participants who had undergone vehicle arbitration. However, **56 participants had an address that was known to be that of a law office,<sup>1</sup> which is more than three times as many that were found in the 2006 data** (18 records). Additionally, nine records were duplicated (exact same information in all columns).

**TABLE 1: DELETED RECORDS**

YEAR	LAW FIRM	DUPLICATE	UNDELIVERABLE
2006	18	9	9
2007	56	4	2

These records were deleted from the study, leaving a total of 1,681 potential respondents in 2007.

<sup>1</sup> Based on a Google search, prompted by the word "suite" in the address. Specific addresses are listed in the individual quarterly reports.

**TABLE 2: RECORDS RECEIVED**

PROGRAM	2006	2007
CONSUMER ARBITRATION PROGRAM (CAP-RV)	0	9 (1%)
BETTER BUSINESS BUREAU AUTO LINE (BBB)	1,634 (84%)	1,326 (79%)
CALIFORNIA DISPUTE SETTLEMENT PROGRAM (CDSP)	322 (16%)	346 (21%)
<b>TOTAL</b>	<b>1,956</b>	<b>1,681</b>

Aurora Research Group attempted to telematch the remaining 1,681 records. Results for the “hit rate” (or the percentage of all records for which a telephone number was found by survey year) is outlined in Table 3. In 2007, we telematched slightly less than half (44%) or 737 of the 1,681 records provided.

**TABLE 3: TELEMATCH RATE**

YEAR	# OF RECORDS RECEIVED	# OF TEL. NUMBERS MATCHED	PERCENTAGE TELEMATCHED
2005	2,132	982	46%
2006	1,956	971	50%
2007	1,681	737	44%

In the 2007 survey, 37% of all completed surveys were conducted with a Computer-Assisted-Telephone-Interviewing (CATI) system.

**TABLE 4: COMPLETED INTERVIEWS BY METHODOLOGY**

YEAR	# OF TELEPHONE SURVEYS	PERCENTAGE OF TELEPHONE SURVEYS	# OF MAIL SURVEYS	PERCENTAGE OF MAIL SURVEYS
2005	325	38%	528	62%
2006	263	42%	360	58%
2007	199	37%	339	63%

The overall response rate for the telephone survey component in 2007, that is, the total number of willing respondents divided by the total number of qualified respondents, was 59%, as presented in Table 5, and is consistent with previous surveys.

**TABLE 5: TELEPHONE SURVEY RESPONSE RATE**

YEAR	# OF WILLING & QUALIFIED (COMPLETED)	# OF QUALIFIED RESPONDENTS	COMPLETED INTERVIEWS	PARTIAL COMPLETE	LANGUAGE BARRIER	REFUSAL – SOFT	REFUSAL – HARD	REFUSAL – CALL BLOCK	REFUSAL – TOO ANGRY WITH PROCESS	RESPONSE RATE (WILLING / QUALIFIED)
2005	325	582	325	22	27	78	62	50	18	56%
2006	263	421	263	18	19	45	35	38	3	62%
2007	199	335	199	12	14	49	16	36	9	59%

Aurora Research Group mailed a hard copy of the survey to those ACP participants whose name and addresses were not telematched. Surveys were also mailed to participants who could not be reached via the telephone survey.

Along with the questionnaire, Aurora Research Group mailed a cover letter and a postage-paid return envelope. For participants with Spanish surnames, we included a Spanish translation of the cover letter and the survey. The next table outlines the number of surveys mailed and received. It can be seen that in 2007, there was 23% response rate for the mail survey component, which is similar to previous years.

**TABLE 6: MAIL SURVEY RESPONSE RATE**

YEAR	TOTAL MAILED	RETURNED	RESPONSE RATE
2005	1,936	528	27%
2006	1,653	360	22%
2007	1,473	339	23%

Of the 1,681 program participants who were invited to participate in 2007, surveys were completed either by telephone or by mail by 538 program users. The cumulative response rate in 2007 (32%) is identical to that of 2006 (32%), both of which are down significantly from 2005 (40%).

In 2007, the margin of error<sup>2</sup> for a completed sample of 538 surveys is plus or minus 3.5%, at the 95% confidence level. In other words, we are 95% sure that the true population parameters lie within +/- 3.5% of the sample statistics. As an example, if a response category to a question were chosen by 50% of program participants, we would be 95% sure that the true population parameters would lie between 46.5% and 53.5%

<sup>2</sup> With a finite population correction (FPC) factor applied, in part because the sample represents more than 10% of the population.

(50.0% +/-3.5%). This is the most conservative level, and is generally used when describing the study as a whole. Individual margins of error for each question could be smaller, depending on the proportion of respondents choosing a specific response category.

**TABLE 7: OVERALL RESPONSE RATE**

YEAR	TOTAL # OF RECORDS RECEIVED	# OF COMPLETED SURVEYS	RESPONSE RATE	MARGIN OF ERROR (AT THE 95% CONFIDENCE LEVEL) <sup>3</sup>
2005	2,132	853	40%	+/- 2.6%
2006	1,956	623	32%	+/- 3.2%
2007	1,681	538	32%	+/- 3.5%

### **Arbitration Programs**

In 2007, ACP oversaw three separate arbitration programs, defined according to vehicle manufacturer. **The vast majority (72%)** of all respondents had processed their arbitration hearing through the **Better Business Bureau (BBB) Auto Line Program**, which works with the widest variety of manufacturers: Acura, Audi, Bentley, BMW, Buick, Cadillac, Chevrolet, General Motors, Geo, GMC, Honda, Hyundai, Infiniti, Isuzu, Land Rover, Mini-Cooper, Nissan, Oldsmobile, Pontiac, SAAB,<sup>4</sup> Saturn, Volkswagen, and Workhorse Custom Chassis (and, since the third quarter 2005, Ford, Mercury and Lincoln). A quarter (26%) of all respondents used the California Dispute Settlement Program (CDSP), which deals with Porsche, Scion, and Toyota. Finally, the remaining 2% arbitrated their vehicle (actually RV) through the Consumer Arbitration Program Recreation Vehicle (CAP-RV).

**TABLE 8: COMPLETED SURVEYS BY ARBITRATION PROGRAM**

YEAR	DISPUTE SETTLEMENT BOARD <sup>5</sup>	CAP-RV	BBB AUTO LINE # (%)	CDSP # (%)
2005	171 (20%)	3 (<1%)	510 (60%)	166 (20%)
2006	N/A	NONE	504 (81%)	119 (19%)
2007	N/A	10 (2%)	387 (72%)	141 (26%)

### **Method of Conducting Hearing**

Regardless of arbitration administration program, there were three ways to conduct a hearing: by teleconference, in-person at a specific location, or by a documents-only

<sup>3</sup> The finite population correction factor was applied in order to calculate these margins of error.

<sup>4</sup> As of August 2007, SAAB's arbitration process is managed by General Motors and is no longer an independent program; however, it is reflected in this report as an independent program.

<sup>5</sup> Prior to the beginning of the third quarter of 2005, Ford Motor Company discontinued the Dispute Settlement Board and instead became jointly certified with the Better Business Bureau Auto Line Program.

process. The 76% of arbitration hearings that were conducted in-person in 2007 was comparable to the 82% in 2006, which had significantly increased from 2005 (70%). Similarly, there was no statistical difference in the percentage of hearings conducted via teleconference call this year (8%) compared with last year (9%), which had significantly decreased from 19% in 2005. However, there were significantly more hearings conducted by documents only in 2007 (16%) than in 2006 (9%) or 2005 (11%).

Additional analyses were conducted to determine whether or not the type of hearing selected was dependent on the manufacturer of the arbitrated vehicle or the arbitration service. The results, however, were negative. In other words, those who used the BBB arbitration process were just as likely as those who used CDSP to select one type of hearing over another. Similarly, Toyota owners were just as likely as respondents who owned a Ford, General Motors, Nissan/Infiniti, Volkswagen/Audi or other vehicle.

**TABLE 9: TYPE OF HEARING<sup>6</sup> BY SURVEY YEAR**

YEAR	IN-PERSON NUMBER (%)	TELE- CONFERENCE NUMBER (%)	DOCUMENTS- ONLY NUMBER (%)	TOTAL NUMBER
2005	561 (70%)	152 (19%)	87 (11%)	800
2006	495 (82%)	54 (9%)	52 (9%)	601
2007	397 (76%)	44 (8%)	82 (16%)	523

In 2006, we added a question about the participation of the vehicle manufacturer's representative to better understand the dynamics of the hearing. It was again included in this year's survey. Those participants who conducted in-person and teleconference hearings (only) were asked: "And what about the manufacturer's representative? Was he/she on a teleconference call with the arbitrator, did he/she appear in person with the arbitrator at a designated location, did he/she not participate or something else?" Results are presented in the following table. It can be seen that **significantly more vehicle manufacturer's representatives showed up in person at the arbitration hearing in 2007** (54%) than in 2006 (44%). This is offset by the significant decrease in the percentage of representatives who simply did not show up, at 4% down from 10% in 2006.

**TABLE 10: VEHICLE MANUFACTURER'S PARTICIPATION IN HEARING**

YEAR	TELECONFERENCE CALL	IN-PERSON	SENT WRITTEN DOCUMENT	NO SHOW	OTHER
2006	42%	44%	3%	10%	1%
2007	40%	54%	1%	4%	1%

<sup>6</sup> The sum of respondents in the three types of hearings is less than the total number of respondents for the year (as noted in earlier tables) because some participants did not answer the question about how their arbitration hearing was processed.

### **Vehicles Arbitrated**

In terms of specific vehicle manufacturers, the questionnaire first confirmed the maker of the respondent's vehicle. Then the vehicles were grouped by manufacturer. The results (number of vehicles arbitrated from each manufacturer) by survey year are presented in the next table. It can be seen that in 2007 there were significantly fewer Ford owners (17% compared with 27% in 2006 and 30% in 2005), and more Toyota owners (27% up from 19% in 2005 and 2006)<sup>7</sup> whose vehicles were arbitrated.

**TABLE 11: MANUFACTURER OF ARBITRATED VEHICLES**

VEHICLE MANUFACTURER	2005	2006	2007
AM General	1	1	4
BMW (includes Mini Cooper)	10	13	11
RV – Coachman	0	0	4
<b>Ford (includes Lincoln, Mercury, Motor Home Chassis)</b>	<b>256 (30%)</b>	<b>164 (27%)</b>	<b>93 (17%)</b>
<b>General Motors (includes Buick, Cadillac, Chevrolet, GMC, Geo, Pontiac, Oldsmobile)</b>	<b>120 (14%)</b>	<b>133 (22%)</b>	<b>98 (18%)</b>
Honda/Acura	41	34	31
Hyundai	17	13	15
Isuzu	7	2	3
Land Rover	8	6	16
<b>Nissan/Infiniti</b>	<b>140 (17%)</b>	<b>68 (11%)</b>	<b>51 (10%)</b>
Porsche	3	2	3
SAAB	9	5	3
Saturn	11	4	6
<b>Toyota (includes Scion)</b>	<b>165 (19%)</b>	<b>117 (19%)</b>	<b>142 (27%)</b>
<b>Volkswagen/Audi</b>	<b>55 (7%)</b>	<b>50 (8%)</b>	<b>49 (9%)</b>
RV – Winnebago	0	0	2
Workhorse Custom Chassis	2	1	0
RV – Fleetwood	1	0	0
RV – Country Coach	0	0	1
<i>Non-response (blank)</i>	7	10	5
<b>TOTAL</b>	<b>853</b>	<b>623</b>	<b>538</b>

<sup>7</sup> The percentages were provided in this table for only the vehicle manufacturer's that had at least 50 respondents by survey year. The results (in percentages) for the other manufacturers were omitted in order to simplify the table; however, they can be found in the statistical binder.

Respondents were also asked to briefly describe the main concern with their vehicle. Reported problems are summarized in Table 12. It can be seen that engine problems were foremost among those respondents whose vehicles were arbitrated in 2007, followed by electric system issues. These results were consistent with the 2005 and 2006 survey results.

**TABLE 12: MAIN AREA OF CONCERN**

<b>MAIN AREA OF CONCERN</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>
Engine	34%	37%	36%
Electric system	14%	14%	12%
Noises	4%	5%	4%
Other problems	1%	5%	6%
Brakes	11%	7%	6%
Steering / Handling	8%	7%	10%
Transmission	7%	7%	8%
Exterior	4%	4%	4%
Interior	1%	2%	2%
Climate control	2%	2%	1%
Water leaks	2%	2%	1%
Multiple problems	6%	4%	5%
<b>TOTAL</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

**Questionnaire**

The 2006 questionnaire was used as a draft and minor revisions were made to reflect new information requirements for the 2007 questionnaire. One questionnaire was designed for both the telephone and mail surveys, although questions were suitably adapted for each format, and were used in all four survey waves. Most of the questions were asked in a closed-ended format, and up to four questions were asked as open-ended. Verbatim responses were captured and later categorized for quantitative analyses.

In the telephone survey, the interviews took approximately 12 minutes on average to administer. We asked to speak with the potential respondents by name (as provided by ACP), screened for age (adults at least 18 years old), and confirmed their experience of having had a vehicle arbitrated recently. The survey was administered mainly in English; however a Spanish translation of the survey was available for those who preferred to participate in that language. For the mail survey, the approved questionnaire was translated into Spanish and formatted appropriately for ease of completion. Overall, 30 surveys were completed in Spanish in 2007.

**Methods of Analysis**

Survey results were analyzed using univariate, and multi-variate statistical techniques. The type of analysis depended upon the kind of variable analyzed and the hypotheses that were generated through an examination of the initial results. Unless otherwise noted, frequency percentages cited in this document represent *adjusted* frequencies, meaning that percentages have been adjusted to account for any non-responses (refusals to answer) or non-qualified responses (questions not answered due to answers to previous questions). In order to conduct some of the more advanced statistical techniques such as multiple regressions (used in the annual report), undecided respondents were necessarily eliminated from the analysis due to underlying statistical requirements.

Researchers are interested in assessing whether or not the differences in observed percentages between certain groups of individuals are due to chance, or if they represent real differences among the subpopulations. Differences are identified by running statistical analyses and are discussed in the report. Statistical significance within crosstabulation tables was calculated using chi square ( $\chi^2$ ) statistics. Tests of proportion were used to identify differences in responses between questions, survey waves, or groups of respondents. The level of significance was generally set to a p value of .05.

***Caveat:***

The sole purpose of this report is to provide a collection, categorization and summary of public opinion data. Aurora Research Group intends to neither endorse nor criticize the State of California, the Department of Consumer Affairs, the Arbitration Certification Program; or their policies, products, or staff. The Client shall be solely responsible for any modifications, revisions, or further disclosure/distribution of this report.

## RESULTS & CONCLUSIONS

The survey results are organized and presented as follows: within each topic section, the accumulated annual 2007 survey results based on the 538 completed questionnaires will be presented for each group of respondents. This includes descriptive statistics, results of analyses identifying important contributors to overall ratings of the arbitration process, and will discuss any key areas for improvement. Next, results comparing each survey year (2005, 2006, and 2007) are presented and any significant differences discussed. Finally, any group differences due to vehicle manufacturer (Ford, General Motors, Toyota/Scion, Nissan/Infiniti, Volkswagen/Audi or Other),<sup>8</sup> type of arbitration administration program (Better Business Bureau Auto Line Program, or California Dispute Settlement Program), survey method (telephone or mail), method of arbitration hearing (teleconference, in-person, or documents only), or demographic characteristics (age, income, ethnicity, gender, or education<sup>9</sup>) are discussed. In other words, up to 20 separate cross-tabulations will have been conducted for each question. Unless otherwise specified, the reported results exclude responses of “undecided” as well as refusals.

## FAMILIARITY WITH LEMON LAW & ARBITRATION PROCESS

### Cumulative 2007 Results

- ❖ **1 One quarter (25%) of all respondents said they were familiar with the arbitration process prior to purchasing their vehicle, similar to last year.**

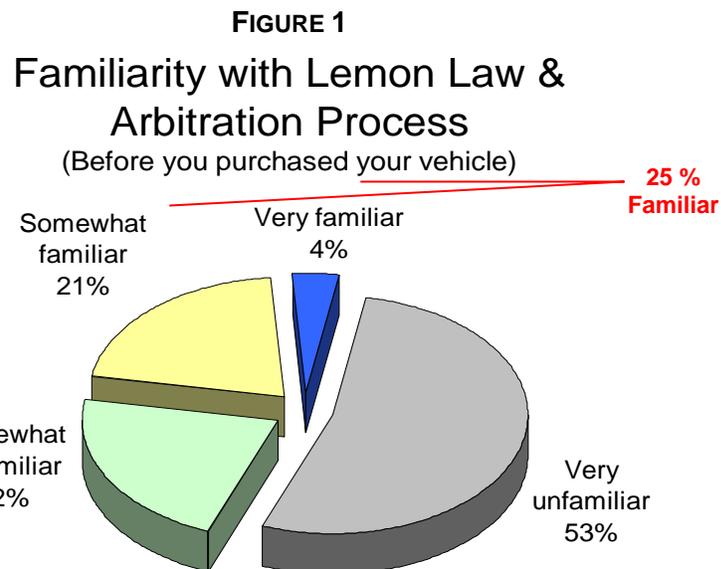
Respondents were first asked:

*“Before you purchased your vehicle, how familiar were you with California’s Lemon Law and arbitration process? Would you say very unfamiliar, somewhat unfamiliar, somewhat familiar or very familiar?”*

Figure 1 indicates that only 4% of all respondents were “very” familiar with California’s Lemon Law and arbitration process and an additional 21% said they were “somewhat” familiar with it prior to purchasing their vehicle, for a combined total of 25%. By far the largest percentage at 53% was “very” unfamiliar with it and 22% of all respondents were “somewhat” unfamiliar. There is, therefore, still a lot of room for improving the visibility of the program among California consumers.

<sup>8</sup> To statistically analyze vehicle manufacturer, we required a minimum of 50 completed surveys for the year. Only five manufacturers met this criterion – Ford (93 surveys), General Motors (98 surveys), Toyota/Scion (142 surveys), Nissan/Infiniti (52 surveys), and Volkswagen/Audi (49 surveys). Surveys about all other vehicle manufacturers were categorized as “Other” (99 surveys).

<sup>9</sup> The reader is referred to the demographic characteristics section near the end of this report to see how the demographics were categorized.



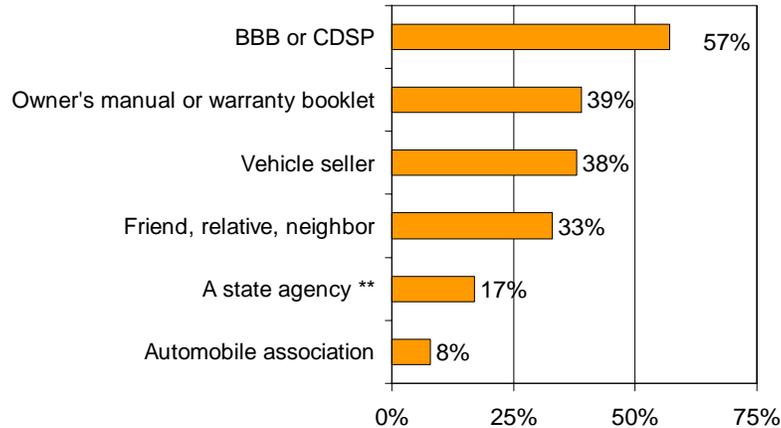
- ❖ **2 The majority (57%) of respondents said they learned about the arbitration program through the administration service (BBB or CDSP), about the same as last year. Just under 40% of all respondents learned about the program through the vehicle owner's manual/warranty booklet or through the vehicle seller.**

Respondents were read a list of possible information sources and were asked whether or not they had learned about the arbitration program through each.<sup>10</sup> It can be seen in Figure 2 that the most frequently-mentioned source was the administration service itself: 57% said they learned about the arbitration program through the Better Business Bureau (BBB) or the California Dispute Settlement Program (CDSP). The next most common information source was the owner's manual or warranty booklet (39% of all respondents) and the vehicle seller (38%). Only 17% said they contacted a state agency; however, among these, when further asked which agency they contacted, 77% said it was the Department of Consumer Affairs and 33% said the DMV. The least familiar source for learning about vehicle arbitration was through an automobile association (8%).

<sup>10</sup> Not all respondents answered all questions.

FIGURE 2

### How Participants Learned About the Arbitration Program



\*\* These respondents were then asked which state agencies they contacted: Department of Consumer Affairs, the DMV, or some other agency.

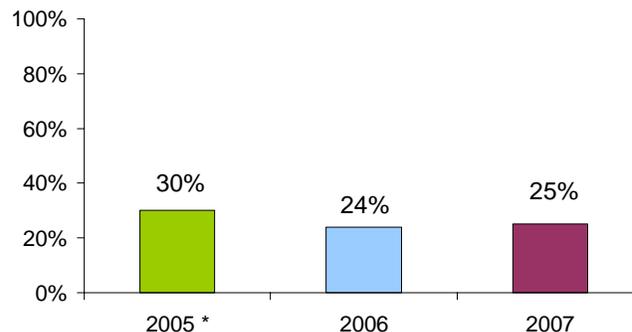
### Year to Year Results

- \* **3 Familiarity with the Lemon Law and arbitration process is the same as last year (a quarter of all respondents), but lower than it was in 2005.**

Figure 3 shows the percentage of respondents who were familiar (combined responses of “somewhat” and “very” familiar) with California’s Lemon Law and arbitration process since 2005. Results of a chi-square analysis indicated that familiarity in 2005 was significantly higher at 30% than either this year (25%) or last year (24%).

FIGURE 3

### Familiarity with Lemon Law and Arbitration Process Prior to Vehicle Purchase: Percent “Somewhat” + “Very” Familiar: Yearly results



\* represents a statistically significant difference

### **Group Differences**

- ❖ **4 *The only characteristic that differentiated levels of familiarity with California's Lemon Law was gender: more males than females were familiar with the arbitration program.***

To see if there were any features that distinguished those respondents who were familiar with California's Lemon Law prior to purchasing their vehicles from those who were not, results were dichotomized (percent "somewhat + very familiar" versus percent "somewhat plus very unfamiliar"), and a series of chi-square analyses was conducted. Variables in the analyses included the dispute resolution program which administered the process, the method of arbitration, the survey method (telephone vs. mail), the outcome of the arbitration hearing, the make of vehicle arbitrated, and the demographic characteristics of age, income, education, gender, and ethnicity.

Results indicated, first of all, that familiarity had nothing to do with how the arbitration was conducted, the make of vehicle arbitrated, or the outcome of the arbitration process. Further, those who were familiar with the arbitration program were similar demographically in terms of ethnicity, income, and education. The only difference that emerged indicated that:

- men were significantly more familiar with the Lemon Law (28%) than were women (18%).

### **HEARING OUTCOME**

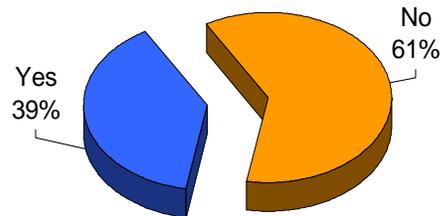
Since 2005, respondents who received awards as a result of their arbitration have been consistently and significantly more positive in their evaluations of all aspects of arbitration than were respondents who did not receive awards. For that reason, all quarterly reports have reported results separately for those who did and did not receive awards. We will continue with that approach in this annual report (unless otherwise noted), but first we will discuss the 2007 outcomes of the arbitration process.

#### **Cumulative Results: Outcome**

- ❖ **5 *Only 39% of all respondents received an award as a result of their vehicle arbitration in 2007.***

Respondents were asked whether or not they received an award of any type as a result of their arbitration. Results indicated that the majority (61%) said they did not receive an award, and the remaining 39% received an award.

**FIGURE 4**  
**Outcome of Arbitration:**  
**Received an Award?**

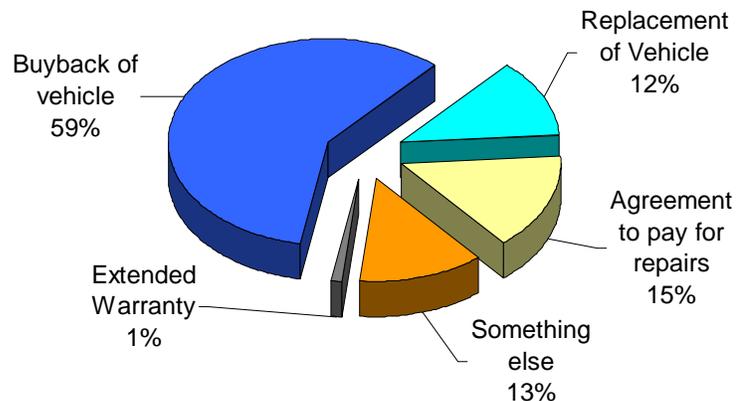


### **Type of Award Received**

- ❖ **6** *The most frequent type of award received was a vehicle buyback.*

The 39% of respondents who received an award in 2007 were asked to choose from a list of options the one that best described their award. Results, shown in Figure 5, indicate that vehicle buyback occurred in 59% of these cases, followed by agreement to pay for past and/or future repairs (15%), and then vehicle replacement (12%). An additional 13% of respondents said the award was something else and 1% received an extended warranty.

**FIGURE 5**  
**Those who Received an Award:**  
**Type of Award**



Those who received a buyback (59%, or 116 respondents) were asked if they were charged negative equity.<sup>11</sup> Sixteen percent (16%) were charged negative equity, 73% were not charged, and the remaining 11% of respondents said they did not know.

<sup>11</sup> The exact wording was "Were you charged negative equity? That is, were you upside down on your loan or did you have to pay a loan charge?"

Of the 12% (24 respondents) who had their vehicle replaced, 28% were charged upgrade fees for a standard option, 41% were not charged upgrade fees, and the remaining 31% did not know.

Among the 13% (26 respondents) who said their award was “something else”, a few examples of comments included:<sup>12</sup>

- *“Instruction for manufacturer to permanently correct fault.*
- *They paid for the first mechanic and then I had to take it back again so I ended up getting rid of the car because I figured it would just keep happening and I ended up losing about \$5000 on it.*
- *Paid for SOME repairs.*
- *After having my vehicle in 6+ for repairs I was awarded that the manufacturer go at it again - WOW!*
- *All they agreed to repair was the doorstop, and that was a joke. I took it in to have them do it and they refused. The main problem was the cruise control which went over 100mph after an hour, and they wouldn't even consider that.*
- *Repair of front seat/nothing on the safety issues.*
- *Extended premium plan.”*

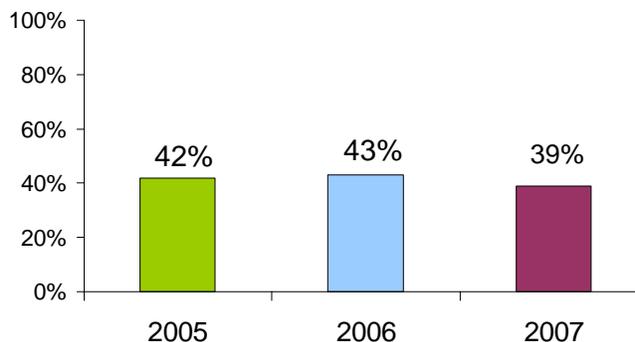
### Year to Year Results

❖ **7 Arbitration outcome has not changed in three years -- about four in ten respondents received an award each year.**

The percentage of respondents who received an award as an outcome of their arbitration hearing has stayed approximately the same from one year to the next, with about four in ten respondents having received awards. The actual percentages are presented in Figure 6.

**FIGURE 6**

#### Outcome of Arbitration: Percent Who Received an Award



<sup>12</sup> For complete transcripts of all verbatim comments, the reader is referred to the statistical binders.

### Group Differences

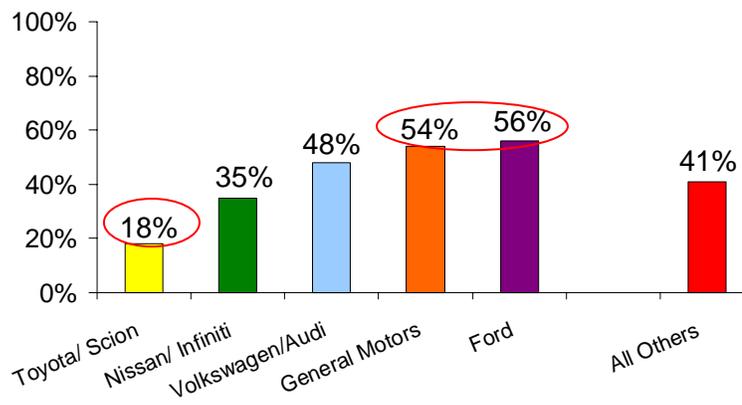
- ❖ **8** *In terms of demographic characteristics, only ethnicity distinguished those who received an award from those who did not – Caucasians were more likely than any other group to have received awards in 2007. In addition, owners of Ford and General Motors vehicles and those whose cases were processed through the Better Business Bureau Auto Line Program were the most likely to have received an award.*

A series of chi-square analyses was run to determine if there were any characteristics that distinguished those respondents who received awards from those who did not. Most demographic variables were not significant – that is, males as well as females were just as likely to receive an award (or not), older respondents were as likely as younger, respondents with higher incomes were just as likely as those with lower incomes, and better educated respondents were just as likely to receive an award (or not) as lesser educated respondents. However, this year, for the first time, ethnicity was found to be significant – more Caucasians (46%) than respondents from any other ethnic background (30%) received awards. This finding should be watched in the future as it could indicate overt or covert discrimination acting within the process.

Another difference to emerge was due to vehicle manufacturer. It can be seen in Figure 7 that the least likely respondents to have received awards as an outcome of arbitration were Toyota/Scion owners: only 18% received an award. It can also be seen that owners of Ford (56%) and General Motors (54%) vehicles were the most likely to have received awards.

FIGURE 7

Percent Who Received an Award  
by Vehicle Manufacturer



A final difference was due to administration service: those whose cases were administered through the Better Business Bureau Auto Line Program (BBB) were significantly more likely to have received an award as a result of arbitration (47%) than those whose cases were administered through the California Dispute Settlement Program (17% -- mostly owners of Toyota vehicles<sup>13</sup>).

## OVERALL EVALUATION OF ARBITRATION PROCESS

### Providing a Valuable Service for Consumers

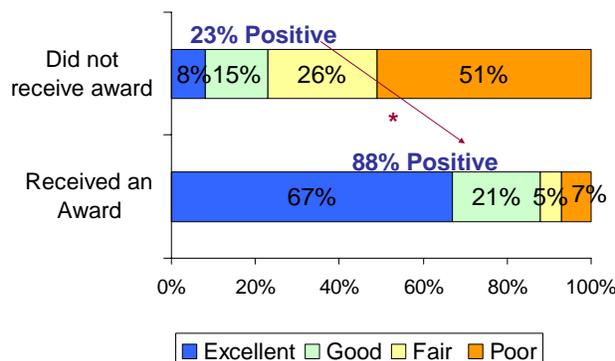
#### Cumulative Results: Overall Assessment of Value

- ❖ **9 Nearly nine in ten of those who received an award felt the arbitration process provided a valuable service for consumers, versus only a quarter of those who did not receive an award.**

Respondents were asked to assess the overall arbitration process in terms of whether it provided a valuable service for consumers, regardless of the outcome of their own specific case, using a four-point scale. However, as can be seen in Figure 8, it appears that respondents' personal outcomes affected their perceptions of the value of arbitration in general: those who received an award were significantly more positive (combined ratings of "good" plus "excellent") about the value of arbitration (88%) than those who did not receive an award (only 23% positive). In fact, among those who did not receive an award, about half (51%) rated the arbitration process as providing a "poor" service for consumers.

FIGURE 8

#### Provides a Valuable Service for Consumers (regardless of outcome of your specific case)



\* indicates a statistically significant difference

<sup>13</sup> Ninety-eight percent of those whose vehicles were arbitrated through the California Dispute Settlement Board were Toyota owners. Only 3 respondents owned Porsches or Scions, the two other types of vehicles arbitrated through this program.

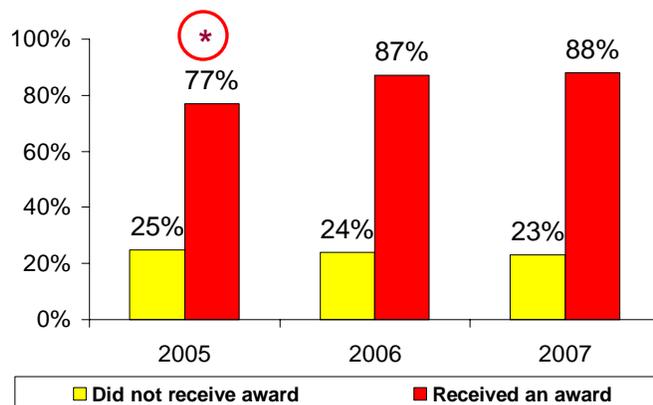
### Year to Year Results

- ❖ **10 Among respondents who received an award, significantly fewer respondents in 2005 than in either 2006 or 2007 felt that the arbitration process was valuable. There was no difference among the three years for those who did not receive an award.**

Comparisons of annual ratings of the overall value of arbitration for consumers indicated a significant difference among those respondents who received an award: it can be seen in Figure 9 that fewer respondents in 2005 (77%) were positive in their evaluations than in 2006 (87%) or this year (88%). It can also be seen that among those who did not receive awards, evaluations of value have remained stable at only about a quarter of respondents.

FIGURE 9

#### Percent Positive: Provides a valuable service for consumers: 2005 vs. 2006



\* indicates a statistically significant difference

### Group Differences

- ❖ **11 Among those who received awards, there were no features that distinguished those who felt arbitration provided a valuable service from those who did not. Among those who did not receive awards, three distinguishing features emerged.**

To see if there were any features that distinguished those respondents who thought the arbitration process was valuable from those who did not, a series of chi-square analyses were conducted—first for those who received an award and then for those who did not receive an award. Results among **those who received an award** indicated no significant differences: those who rated the arbitration process as providing a valuable service were similar demographically

to those who did not think it was valuable in terms of age, income, education, gender and ethnicity. Ratings of overall value also did not vary according to survey methodology, the method of arbitration, the make of the vehicle arbitrated, nor the dispute resolution program.

Among **those who did not receive awards**, results indicated only three significant differences:

- telephone survey respondents were significantly more positive (32%) than were mail survey respondents (17%),
- owners of Volkswagen (42%) vehicles were more positive than those who: owned Other types of vehicles (29%), General Motors (20%), Toyota (19%), Ford (16%), or Nissan (10%) vehicles, and
- younger respondents (aged between 18 and 35 years) were more positive (35%) than older respondents (36 years and older; 20%).

## Perceived Bias

### Cumulative Results

- ❖ **12 Similar to previous years, the vast majority of those who did not receive an award felt the arbitration process was biased in favor of the vehicle manufacturer, while the vast majority of those who received an award felt the process was neutral and unbiased.**

Respondents were next asked:

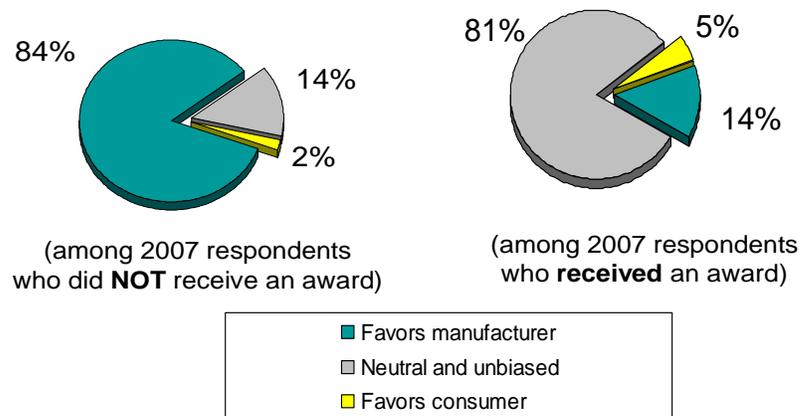
*“Regardless of the outcome of your specific case, would you say the process is biased in favor of the vehicle manufacturer, neutral and unbiased, or biased in favor of the consumer?”<sup>14</sup>*

Respondents’ perceptions of bias in the arbitration process was highly dependent upon the outcome of their hearing: it can be seen in Figure 10 that among those who did not receive an arbitration award, the majority (84%) felt the process was biased in favor of the vehicle manufacturer, whereas among those who did receive an award, the majority (81%) felt the process was neutral and unbiased. In both groups, not many felt the process ever favored the consumer (2% and 5%, respectively).

<sup>14</sup> In the telephone survey, the CATI programming randomized the order in which the responses were presented.

FIGURE 10

### Perceived Bias in the Arbitration Process



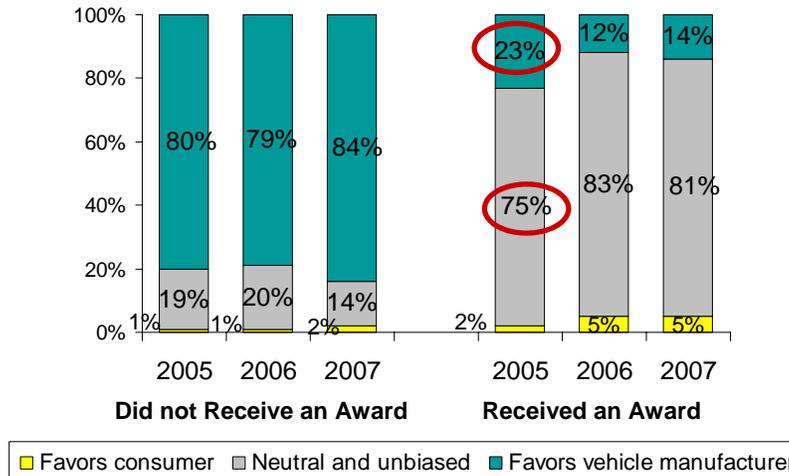
#### Year to Year Results

- ❖ **13** Among those who received an arbitration award, significantly fewer respondents in 2005 felt the arbitration process was neutral and unbiased, compared with either 2006 or 2007. There were no differences in perceptions over time for those who did not receive awards.

Ratings of the perceived bias of the arbitration process by year and by arbitration outcome are presented in Figure 11. It can be seen that there were no differences in perceptions of bias in the process from 2005 to the present among those who did not receive an award. However, among those who did receive an award, significantly fewer felt the process was neutral and unbiased in 2005 than in either other year; and significantly more felt the process avored the vehicle manufacturer in 2005 than in either 2006 or 2007.

FIGURE 11

Perceived Bias in the Arbitration Process:  
 Year to Year Comparisons



**Group Differences**

- ❖ **14** *There were no distinguishing demographic features that accounted for perceptions of bias in the arbitration process.*

Chi-square analyses were run for each group of respondents (those who received an award and those who did not) to determine if there were certain distinguishing features that would account for ratings of perceived bias. No demographic characteristics were distinguishing for either group. The only significant results among those who did not receive an award indicated that those who completed the survey by mail were more likely to say the process was biased in favor of the vehicle manufacturer (92%) than those who completed it by telephone (74%). Similarly, those whose hearings were conducted by teleconference or in person (86%) felt the process was biased compared with those who used the documents-only process (73%).

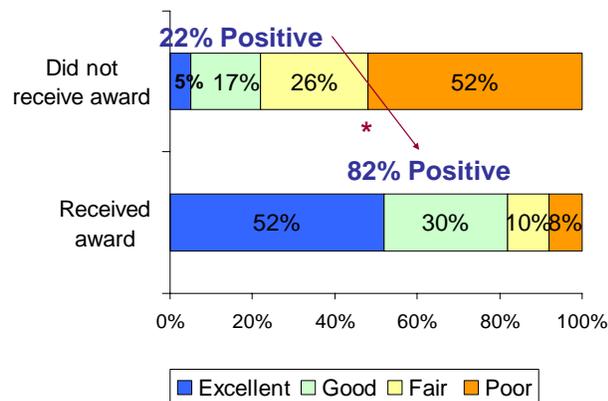
**SATISFACTION WITH PERSONAL ARBITRATION EXPERIENCE**

**Cumulative Results: Overall Satisfaction**

- ❖ **15** *The majority (82%) of survey respondents who received arbitration awards during 2007 were satisfied with their own personal experience with the entire arbitration process, compared with only 22% of those who did not receive an award who were satisfied.*

Respondents were asked to recall their own specific experience and then were asked to evaluate their satisfaction with the entire arbitration experience,<sup>15</sup> using a four-point scale. Results are shown in Figure 12. Among those who did not receive an award, only 5% rated their entire experience as “excellent” and a further 17% said it was “good” for a combined total of 22% positive ratings. This is significantly less than the combined percentage of respondents who received an award and rated their experience as either “excellent” or “good” (82%).

**FIGURE 12**  
**Personal Satisfaction with Entire Arbitration Process**



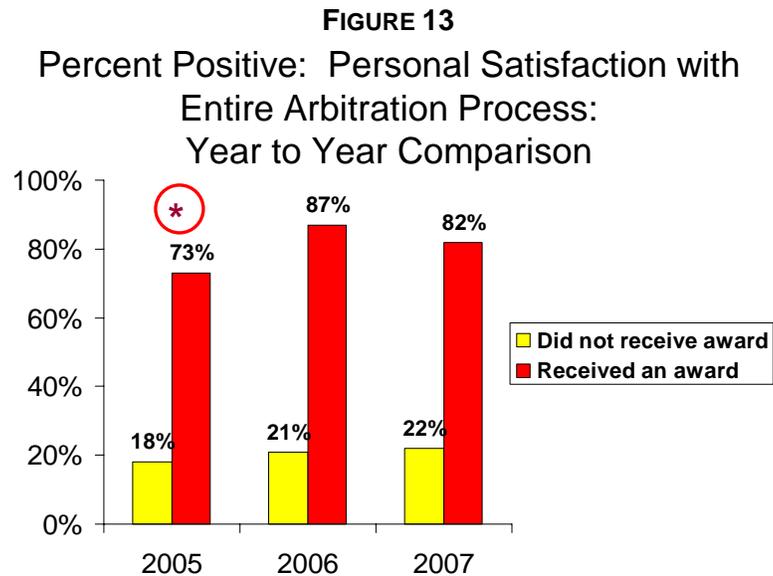
\* indicates a statistically significant difference.

**Year to Year Results**

- ❖ **16 Overall personal satisfaction with the arbitration process was significantly higher this year and last year than in 2005, but only among those respondents who received arbitration awards.**

In terms of year to year results, it can be seen in Figure 13 that there were no differences in personal satisfaction (ratings of “good” plus “excellent”) from 2005 to 2007 among those respondents who did not receive awards (18% vs. 21% vs. 22%). However, among those who did receive awards, there was a significant increase in personal satisfaction from 2005 (73%) to 2006 (87%) and 2007 (82%).

<sup>15</sup> The exact wording of the question was: “And now, thinking specifically about your entire experience with the Arbitration Process, from the time you first heard about it to the final decision, how would you rate your satisfaction with the process – would you say that, overall, it was poor, fair, good, or excellent?”



\* indicates a statistically significant difference

### **Group Differences**

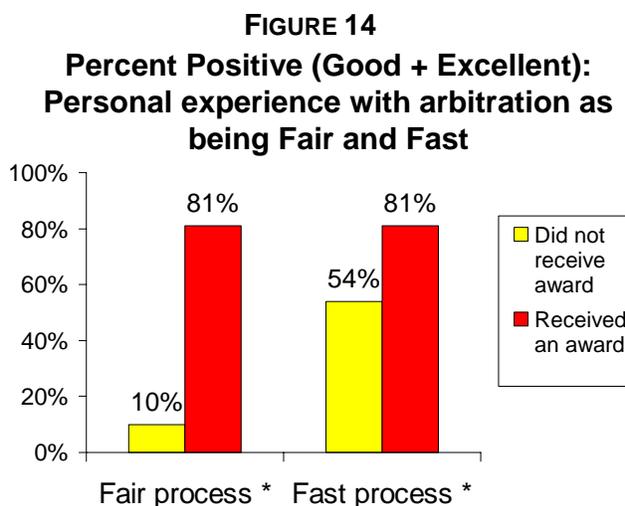
- ❖ **17 Overall personal satisfaction with arbitration did not vary by type of vehicle, method of arbitration, administrative service or demographic characteristics. The only distinguishing feature affecting ratings of overall satisfaction was whether or not an award was received as a result of arbitration.**

Chi-square analyses were conducted to determine if there were any statistically significant differences in terms of the administration service who managed the process, the method of arbitration, survey method, the make of vehicle arbitrated, or whether any demographic characteristics differentiated respondents who were satisfied overall with their arbitration experience (i.e. ratings of “good” and “excellent”) from those who were not satisfied (i.e. ratings of “fair” and “poor”). Results indicated, first of all, that no demographic characteristics were significant. In other words, those who were satisfied in 2007 were similar to those who were dissatisfied regardless of age, income, education, gender, or ethnicity. Secondly, satisfaction with the process did not vary according to any other factors including the type of vehicle arbitrated, the method of arbitration, or the administrative service.

**Perceptions of Arbitration as a Fast and Fair Process**

❖ **18 Ratings of arbitration as being a fair and fast process also depended on outcome: among those who received awards in 2007, the vast majority felt the process was both fair and fast. Among those who did not receive an award, only a few felt the process was fair and just over half rated it as fast. Fairness was more important to respondents than speed.**

The survey then asked all respondents to evaluate how fair and how fast the arbitration process was, based on their personal experience.<sup>16</sup> As shown in Figure 14, the majority of those respondents who received an award rated the process positively (81% said it was both fair and fast). This was significantly more than the percentage of respondents who did not receive an award – only 10% thought the process was fair and just over half (54%) rated it as fast.



\* represents a statistically significant difference

Further statistical analyses indicated that ratings of “fairness” were more important to respondents: the relationship between fairness and overall satisfaction with arbitration was much stronger than the relationship between speed and satisfaction, for both groups of respondents.<sup>17</sup>

<sup>16</sup> The order of presentation was randomized.

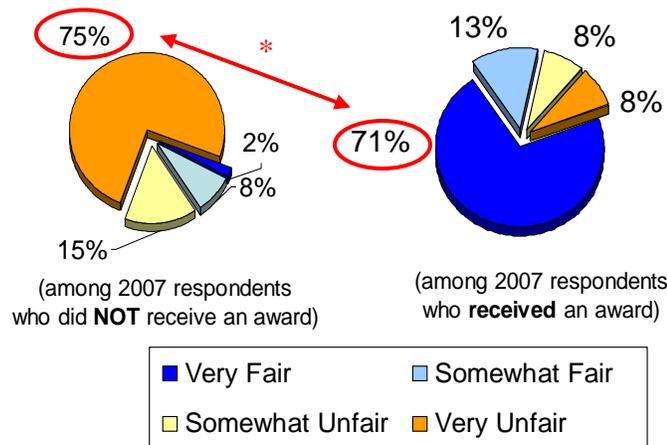
<sup>17</sup> The correlation between fairness and overall satisfaction was .77,  $p < .001$  among those who received awards and .57,  $p < .001$  among those who did not; the correlation between speed and overall satisfaction was .65,  $p < .001$  and .40,  $p < .001$  for each group respectively.

**Outcome: Fairness of Decision**

- ❖ **19 Seventy-one percent of respondents who received awards felt the outcome decision was “very fair” and about the same percentage of those who did not receive awards felt the outcome was exactly the opposite (“very unfair”).**

All respondents were asked to rate the fairness of the arbitration decision, using a four-point scale. Results, presented in Figure 15, show, first of all, that evaluations of the fairness of the decision were highly polarized. Secondly, the results were highly dependent upon whether or not an award was received as an outcome of arbitration. It can be seen that 75% of those who did not receive an award rated the outcome as “very unfair”, compared with 71% of those who received awards and rated the outcome as “very fair”.

**FIGURE 15**  
 Outcome: Fairness of Decision



\* indicates a statistically significant difference

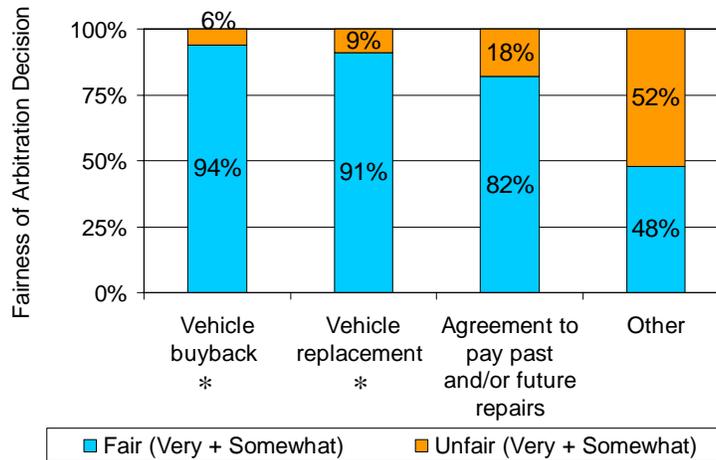
- ❖ **20 Ratings of fairness were dependent on the type of award received – those whose vehicles were bought back or replaced were significantly more positive than those who received an agreement to pay for past and/or future repairs, or something else.**

The next graph (Figure 16) indicates that among those who received an award, respondents whose vehicle was bought back (94% combined “somewhat” + “very” fair ratings) or replaced (91% positive ratings) felt the decision was

significantly fairer than those who received an agreement to pay for past and/or future repairs (82% positive), or some other type of award (48%).

FIGURE 16

**Perceived Fairness of Arbitration Decision by Award Outcome (Recipients Only)**



\* indicates a statistically significant difference

**Application Form Assessment**

- ❖ **21 Over three-quarters of all respondents rated the application form as being relatively easy to complete and felt it was easy to provide the requested documentation. Ratings have not changed over the three years of evaluation.**

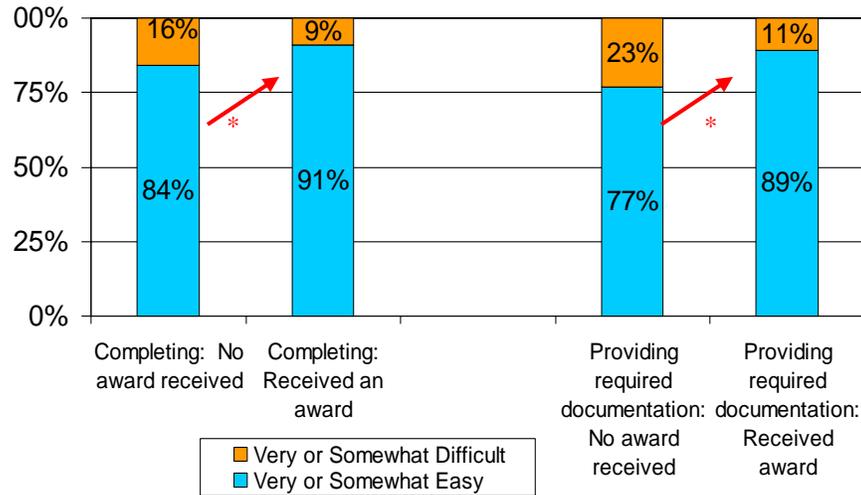
Respondents were required to complete an application form prior to starting the arbitration process. There were two questions in the survey that asked respondents to evaluate the ease of completing the application, which includes providing the required documentation.

Overall, although those who received awards were significantly more positive in their evaluations, the majority in both groups of respondents had little difficulty with the application itself. It can be seen in Figure 17 that 84% of those who did not receive awards and 91% of those who did felt the application was “somewhat” or “very” easy to complete. Similarly, 77% of those who did not receive awards and 89% of those who received awards felt that it was relatively easy to provide the required documentation.

These percentages have not changed since 2005.

FIGURE 17

Rating of Application Form  
 in terms of ease of ...



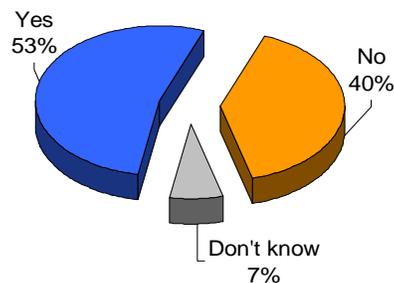
\* indicates a statistically significant difference

**Contact ACP for Assistance**

❖ **22 Similar to last year, just over half (53%) of all respondents reported contacting the Arbitration Certification Program for assistance in 2007.**

There was no difference between those who did not receive awards and those who did in terms of whether or not they reportedly contacted the Arbitration Certification Program (ACP). It can be seen in Figure 18 that 53% of all respondents said they contacted ACP for assistance, 40% said they did not, and a further 7% did not know.

FIGURE 18  
 Did you contact the ACP for assistance?



## EVALUATION OF VEHICLE MANUFACTURER INTERACTIONS

The arbitration process consists of interactions with three main entities: the vehicle manufacturer's representatives, the administration service, and the arbitrator. In the questionnaire, respondents were asked to evaluate a number of different aspects of their interactions with each of the three entities and also to give an overall assessment of each.

### Cumulative Results

- ❖ **23 Overall, respondents who received awards were more positive than those who did not, although fewer than half (regardless of outcome) were happy with their interactions with the vehicle manufacturer's representatives throughout the arbitration process.**

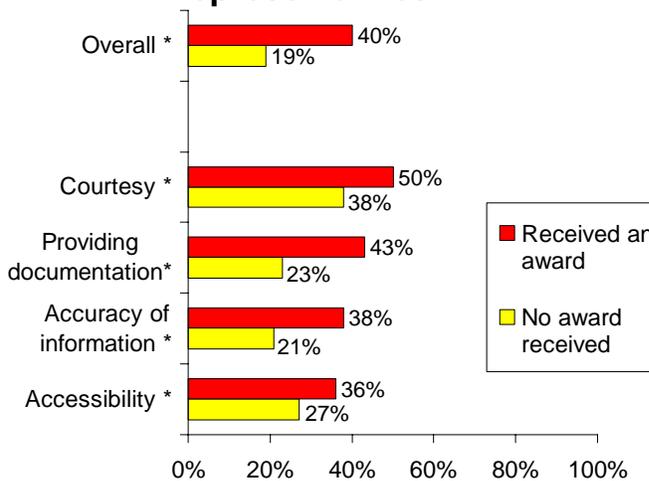
Respondents were asked to evaluate their overall interactions<sup>18</sup> with the vehicle manufacturer's representatives, and then to evaluate them on four specific attributes: the courtesy of the manufacturer's representatives, accessibility in terms of reaching the right person and having calls returned, providing accurate information, and providing documentation prior to the hearing (such as repair orders, manufacturer's position, or technical service bulletins). Results were dichotomized as positive (combined ratings of "good" plus "excellent") or negative (combined ratings of "fair" plus "poor").

Figure 19 shows the percent of positive ratings for those who did and did not receive awards. First of all, it can be seen that those who received awards were significantly more positive in all their evaluations of the vehicle manufacturer's representatives. That being said, however, it can also be seen that most of the ratings were still quite low. Overall interactions were rated as positive by four in ten (40%) of respondents who received awards and by two in ten (19%) of those who did not receive awards. In other words, the majority of respondents, despite the outcome of arbitration, were negative in their overall evaluations of interactions with the vehicle manufacturer's representative.

Manufacturer's representatives were rated the highest in terms of courtesy: 50% of award recipients and 38% of non-award respondents. In terms of the lowest ratings, opinions varied based on arbitration outcome. Award recipients gave the lowest ratings for accessibility (36%), while 27% of those who did not receive an award rated this aspect positively. Those who did not receive awards gave the lowest ratings for accuracy (21%), while 38% of award recipients gave positive ratings for this aspect of the manufacturer's representative.

<sup>18</sup> A four-point rating scale was used: poor, fair, good, or excellent.

**FIGURE 19**  
**Percent Positive (Good + Excellent):**  
**Assessments of Vehicle Manufacturer's**  
**Representatives**



\* indicates a statistically significant difference between groups

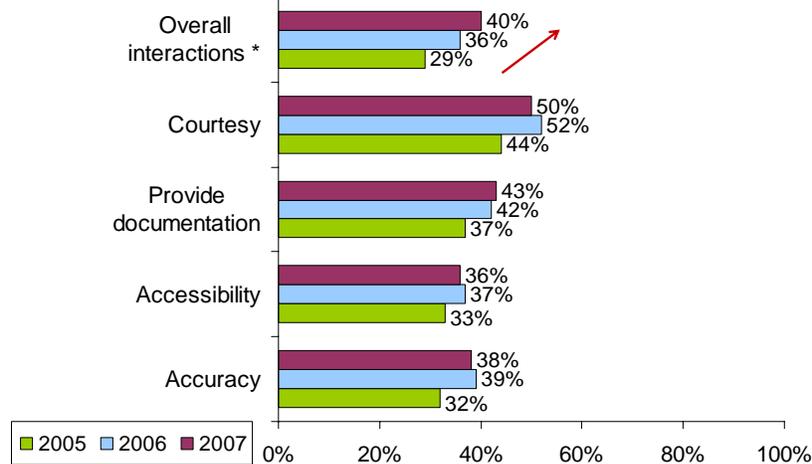
### Year to Year Results

- ❖ **24** *The 2007 evaluations of interactions with the vehicle manufacturer's representatives throughout the arbitration process were similar to the results from the 2005 and 2006 surveys with one exception: award-winning respondents were significantly more positive in their overall ratings in 2007 (40%) than in 2005 (29%).*

Among award recipients and then again among those who did not receive awards, chi-square analyses were run to determine significant differences by survey year. With one exception, ratings of interactions with vehicle manufacturer's representatives were essentially the same in 2007 as they were in 2006 and 2005. The only statistically significant difference was found among award recipients in terms of overall ratings: award-winning respondents were significantly more positive in their overall ratings in 2007 (40%) than they were in 2005 (29%). Results are shown in the following chart (Figure 20).

Figure 20

**Percent Positive: Assessment of  
 Manufacturer's Representative by Survey Year**  
 (among those who received an award)



\* indicates a statistically significant difference between 2005 and 2007

**Group Differences**

- ❖ **25 In general, respondents whose cases were administered by CDSP, and particularly those who owned Toyota vehicles, were the most positive in their overall evaluations of the vehicle manufacturer's representatives.**

A series of chi-square analyses (100 analyses in total: 10 variables x 5 questions x 2 groups of respondents) were run to determine if there were any characteristics that distinguished those who rated the various aspects of their interactions with the vehicle manufacturer's representatives positively from those who gave negative evaluations.

Results indicated a total of 14 significant differences. In terms of the demographic variables, both groups of respondents' evaluations of the manufacturer's representatives were independent of age, gender, income, ethnicity and education with only four exceptions. The other differences that emerged were due to the vehicle manufacturer, and the dispute resolution administration service:

Results from the analyses of the **overall** evaluation of the manufacturer's representative indicated:

- Among those respondents who did not receive awards:
  - owners of Toyota (25%), Volkswagen or Audi (29%) and other types (28%) of vehicles were more positive in their overall

evaluation of interactions with the vehicle manufacturer's representatives than owners of Ford (13%), General Motors (8%), and Nissan (3%) vehicles, and

- those who were at least 55 years old (30%) were more positive than younger respondents (16%).
- Among those respondents who did receive awards:
  - owners of Toyota (71%) vehicles were more positive overall than owners of Ford (38%), Nissan (37%), Volkswagen or Audi (29%), General Motors (26%) or other (46%) vehicles,
  - respondents whose cases were administered by the CDSP (responsible for Toyota, Scion, and Porsche vehicles) were significantly more positive overall (72%) than were those whose arbitrations were processed through the BBB program (35%), and
  - respondents with a high school or vocational education were more positive (58%) than those with (at least) some college (35%).

Results from the analyses of the courtesy of the manufacturer's representatives yielded four significant differences:

- Among those respondents who did not receive awards:
  - those who were at least 55 years of age were more likely to give positive ratings (58%) than those who were younger (30%)
  - those whose arbitration was handled through the CDSP were more positive (51% "good" or "excellent") than those whose cases were administered through the BBB (30%), and
  - owners of Toyota (50% positive), Volkswagen or Audi (46%) and other vehicles (44%) were more positive in their evaluations of the courtesy of the representatives than were owners of Ford (24%), Nissan or Infiniti (19%), or General Motors vehicles (22%).
- Among those respondents who did receive awards:
  - those whose arbitration was handled through the CDSP were more positive (74%) than those whose cases were administered through the BBB (47% positive).

Results from the analyses of accessibility yielded two significant differences:

- Among those respondents who received awards:
  - respondents whose cases were administered by the CDSP were more positive (81%) than those whose arbitrations were processed through the BBB (30%), and
  - owners of Toyota (78%), were more positive in their evaluations of the accessibility of the representatives than were owners of Ford (34%), Nissan or Infiniti (31%), General Motors (26%), Volkswagen or Audi (23%) and other vehicles (33%).

In terms of **accuracy of the information provided**, results from the analyses yielded only two significant differences:

- Among those respondents who did not receive awards:
  - respondents whose cases were administered by the CDSP were more positive (29%) than those whose arbitrations were processed through the BBB (16%), and
- Among those respondents who did receive awards:
  - respondents whose cases were administered by the CDSP were more positive (70%) than those whose arbitrations were processed through BBB (34%).

Finally, in terms of providing **documentation prior to the hearing**, only one result from the analyses emerged as statistically significant:

- Among those respondents who did not receive awards:
  - respondents who were at least 55 years of age were more positive (30%) than those who were younger; that is, between the ages of 35 and 54 (16%).

### **Received a Manufacturer's Offer Prior to the Hearing**

- ❖ ***26 Of all those surveyed, three in ten (31%) received a manufacturer's offer to settle the case prior to the arbitration hearing, which is similar to the results of the 2005 and 2006 surveys. It was also found that, as in previous years, those who received awards were more likely to have been approached with an offer than those who did not receive awards. Similarly, General Motors, Ford, Volkswagen/Audi, and Nissan/Infiniti vehicle owners were more likely to have been approached with an offer than Toyota owners.***

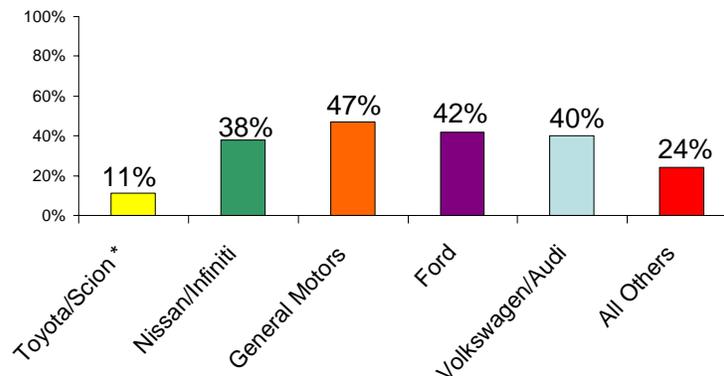
Respondents were asked whether or not the manufacturer had offered to settle their claim prior to the arbitration hearing. Thirty-one percent responded affirmatively, which is very similar to the results of the 2006 (32%) and 2005 (36%) surveys.

Similar to previous surveys, the 2007 results also indicated that more respondents who received awards had been approached to settle prior to the hearing (38%) than those who did not receive awards (26%).

Further analyses indicated that Toyota owners (11%) were significantly less likely than owners of General Motors (47%), Ford (42%), Volkswagen or Audi (40%) and Nissan or Infiniti (38%) vehicles as shown in the following chart.

Figure 21

### Percent Who Received an Offer To Settle Claim Prior to Arbitration Hearing



\* indicates a statistically significant difference

### Key Contributors to Overall Ratings

- ❖ **27 Courtesy was the most important factor in terms of overall satisfaction with the vehicle manufacturer's representatives, followed by the accuracy of the information provided regardless of the arbitration outcome.**

Similar to previous annual reports, multiple regression analyses were conducted to assess which aspects (courtesy, accessibility, accuracy of information, and providing documentation prior to the hearing) of participant interactions with the vehicle manufacturer's representatives contributed the most to overall ratings of interactions with the representatives. In other words, we wanted to understand which aspects are most **important** to consumers.

Regardless of arbitration outcome, results indicated that the **most** important aspect contributing to overall satisfaction with the vehicle manufacturer's representative was courtesy, followed by the accuracy of the information provided. Respondents who found the representatives to be courteous and those who felt they received accurate information were more likely to also be satisfied overall with their interactions with vehicle manufacturer's representatives. Similarly, those who found the representatives impolite or to have provided inaccurate information gave lower overall evaluations. Among award recipients, accessibility was also important (although at a lower level), while providing documentation prior to hearing was also important among those who did not receive an award.

In summary, if vehicle manufacturers were to improve their representatives' interactions with consumers on courtesy and accuracy, the overall evaluations should also improve regardless of the arbitration outcome.

## EVALUATION OF ADMINISTRATION SERVICE

### Cumulative Results

- ❖ **28 Overall, ratings of the administration service were more positive than evaluations of the vehicle manufacturer's representatives. They were also dependent on arbitration outcome: those who received award gave the highest ratings for being knowledgeable about the process and providing reliable information and assistance, while those who did not receive an award gave the highest ratings for the administration service's timeliness in setting up the hearing, followed by being easy to reach.**

Respondents were asked for an overall evaluation as well as to rate<sup>19</sup> a series of aspects regarding their interactions with the administration service (BBB or CDSP) that processed their arbitration case. Results were dichotomized as positive (combined ratings of "good" plus "excellent") or negative (combined ratings of "fair" plus "poor"). The positive results among those who did and did not receive an award are presented in Figure 22.

First of all, results in general are more favorable than the evaluations of the manufacturer's representatives discussed in the previous section, especially among award recipients. At least 86% of those who received awards rated each aspect of interacting with their administration service as either "good" or "excellent," including their overall assessment (88% positive ratings). Forty-three percent of those who did not receive an award gave similar positive ratings for overall interactions with their administration service.

Second, similar to the evaluations of the manufacturer's representatives discussed in the previous section, results in terms of individual aspects were dependent on the arbitration outcome, in that significantly more award recipients giving positive ratings than those who did not receive an award.

Award recipients gave the highest favorable ratings for timeliness in setting up the hearing and providing reliable information and assistance (both 89%) and the "lowest" ratings for being easy to reach, although this was still rated as "good" or "excellent" by the vast majority (86%)

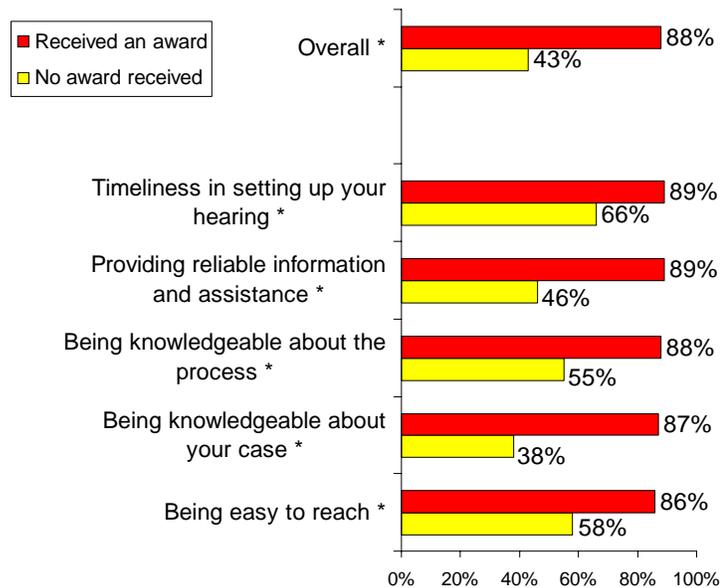
Individual ratings among those who did not receive an arbitration award were significantly lower, although the top aspect of the administration service was the same: timeliness of setting up the hearing (66% of these respondents rated it

<sup>19</sup> The same four-point rating scale was used to evaluate the administration service: poor, fair, good, or excellent.

“good” or “excellent”). Non-award recipients rated their administration service lowest (38%) for being knowledgeable about the specifics of their particular case.

FIGURE 22

Percent Positive (Good + Excellent):  
 Assessments of Administration Service



\* indicates a statistically significant difference between groups

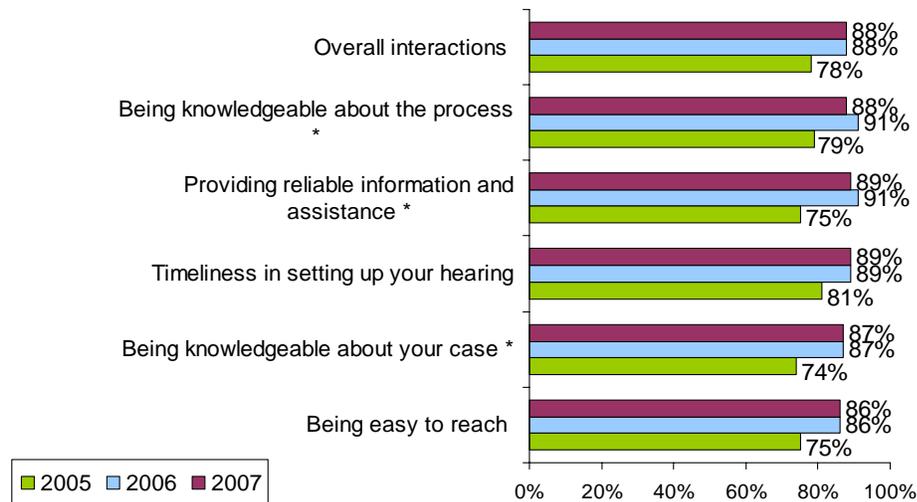
**Year to Year Results**

❖ **29 Among award recipients, positive evaluations of interactions with their administration service continue to be at the same level in 2007 as in 2006, which is significantly higher than in 2005. However, among those who did not receive awards, the results remained relatively stable.**

Results of chi-square analysis indicated that respondents who received arbitration awards in 2007 were just as satisfied as the 2006 award recipients with the administration service. The 2007 and 2006 results were significantly higher than the evaluations of the administration service in 2005 in terms of being knowledgeable about the specific case, knowledgeable about the arbitration process, and providing reliable information and assistance. Positive ratings among award recipients for all aspects discussed are shown by survey year in Figure 23.

FIGURE 23

Percent Positive: Assessment of Administration Service by Survey Year  
 (among those who received an award)



\* indicates a statistically significant difference between 2005 and the other two years

On the other hand, there were no significant differences found by survey year among those who did not receive awards.

**Group Differences**

- ❖ **30 Differences in administration service ratings did not vary by administration service; however, among those who did not receive arbitration awards, demographics and the vehicle manufacturer significantly influenced the evaluations.**

A series of chi-square analyses were run to determine if there were any characteristics that distinguished those who rated the administration service positively from those who gave negative evaluations. The differences in administrative service ratings were not found to vary by administration service. In other words, those who processed their cases through the BBB (regardless of outcome) gave similar ratings to those who processed their case via CDSP.

Among **those who received arbitration awards**, results indicated that no demographic variables were significant – respondents’ evaluations of the administration service were independent of age, gender, ethnicity, income, education. No other variables were significant either, such as type of hearing or vehicle manufacturer.

Among **those who did not receive an arbitration award**, there were no statistically significant differences for the ratings of administration service in terms of providing reliable information and assistance. However, there were significant differences in terms of:

**Overall interactions**

- Ford (60%), Volkswagen or Audi owners (57%) and other (63%) were more positive than Nissan or Infiniti (27%), General Motors (32%), and Toyota/Scion (34%) owners.

**Knowledgeable about case**

- Younger respondents (18-35 year olds, 59%) were more positive than older respondents (35-54, 29%; and 55+, 36%).

**Knowledge about process**

- Those who owned Volkswagens or Audis (83%) was more positive than Toyota (48%), Nissan or Infiniti (37%), and General Motors (41%) owners;
- Those with some college education (60%) were more positive than those with a high school degree or vocational training (42%); and
- Those who identified their racial background as Caucasian (65%) were more positive those who described their ethnicity as something other than Caucasian (44%).

**Timeliness in setting up the hearing**

- Ford (83%), Volkswagen or Audi (67%), General Motors (66%) and Toyota (63%) owners were all more positive than Nissan or Infiniti owners (34%);
- Self-identified Caucasians (77%) were more positive than those who described their ethnicity as something different (54%); and
- Those with household earnings of \$60,000 or higher (74%) were significantly more satisfied than those earning less (51%).

**Being easy to reach**

- Those with household earnings of \$60,000 or higher (67%) were significantly more positive than those earning less (40%).

**Key Contributors to Overall Ratings**

- ❖ **31 Among award recipients, the most important aspect of overall satisfaction with the administration service was providing reliable information and assistance. Among those who did not receive an award, being knowledgeable about the arbitration process was the most important aspect.**

Once again, regression analyses were conducted to assess which aspects (knowledge about the process, knowledge about the specific case, providing reliable information and assistance, timeliness in setting up the hearing and being easy to reach) of participant interactions with the administration service

contributed the most to overall ratings of interactions with the administration service. Analyses were run separately, according to the outcome of the arbitration hearing.

Results indicated that the most important factor in terms of overall satisfaction with the administration service (among those who received an arbitration award) was providing reliable information and assistance. Other important aspects among this group included being knowledgeable about the arbitration process and being easy to reach.

Among those who did not receive an award, results indicated that the most important factor in terms of overall satisfaction with the administration service was being knowledgeable about the arbitration process. Other important aspects included being easy to reach, providing reliable information and assistance, and being knowledgeable about the specific case.

This means that respondents who were satisfied with these particular aspects of administration were more likely to hold favorable opinions of the administration service overall, and vice versa: those who held negative opinions about these aspects were more likely to have less favorable overall evaluations).

In other words, the results of these analyses suggest that changes for the better in any one of these attribute areas should result in an increase in positive ratings of the administration service overall.

## ASSESSMENT OF THE ARBITRATOR (TELECONFERENCE AND IN-PERSON MODES ONLY)

### Cumulative Results

- ❖ ***32 The vast majority – nearly nine in ten award recipients rated each aspect of the arbitrator positively, giving the highest ratings for courtesy, professionalism, and knowledge about the process and the law. Participants who did not receive awards were significantly less positive in their arbitrator evaluations, although the rank order was the same, namely, courtesy, professionalism and knowledge about the arbitration process.***

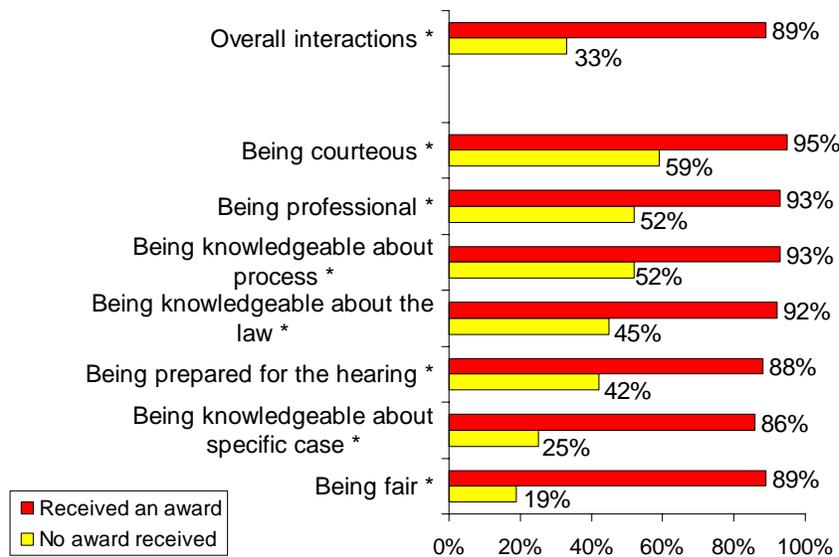
Respondents whose cases were arbitrated either in-person or by teleconference were asked to assess the arbitrator assigned to their hearing in terms of:<sup>20</sup> overall interactions, professionalism, knowledge about their case, knowledge about the process, courtesy, fairness, being prepared for the hearing, and knowledge about the law, using a four-point scale. Results in terms of positive (“good” + “excellent”) ratings are presented in Figure 24 by arbitration outcome.

<sup>20</sup> The exact wording of the question was: “Now I’d like you to evaluate your experience with the Arbitrator, that is, **the actual person who reviewed and ruled on your case**. Overall, would you rate the Arbitrator poor, fair, good, or excellent?”

Among **those who received an arbitration award**, 89% rated their overall interactions with the arbitrator favorably. Ratings of the individual aspects of the arbitrator were equally high – most of the arbitration award recipients (a minimum of 86%) rated their arbitrator positively (combined ratings of “good” plus “excellent”) in terms of courtesy, professionalism, knowledge (about the case, the process, and the law), hearing preparation and fairness.

On the other hand, only a third (33%) of **those who did not receive an arbitration award** rated their overall interactions with the arbitrator as “good” or “excellent.” Among these respondents, the arbitrator was rated highest for being courteous (59% gave positive ratings), followed by being professional (52%), and being knowledgeable about the process (52%). Combining “good” plus “excellent” ratings for the other aspects of the arbitrator indicated that fewer than half of all respondents felt the arbitrator was prepared for the hearing (42%), was knowledgeable about the law (45%) and the specific case (25%), or was fair (19%).

**FIGURE 24**  
**Percent Positive (Good + Excellent):**  
**Assessments of Arbitrator**  
 (among in-person and teleconference hearing respondents)



\* indicates a statistically significant difference between groups

**Year to Year Results**

- ❖ **33 Among award recipients, the current level of satisfaction with the arbitrator is similar to last year, and significantly higher than the 2005 survey results in almost every aspect evaluated.**

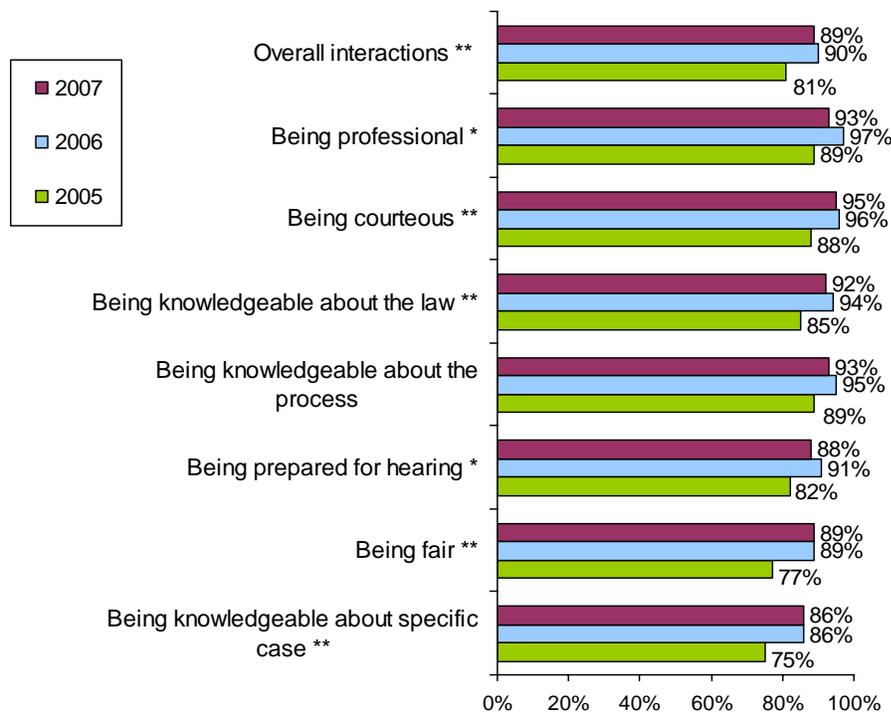
Chi-square analyses were run to assess year to year comparisons of arbitrator ratings. As shown in Figure 25, the 2007 evaluations of the arbitrator were

similar to the 2006 ratings in terms of overall interactions, courtesy, fairness and knowledge about both the law and the specific case among award recipients. Both years' results were significantly higher than the 2005 evaluations.

In terms of the arbitrator's professionalism and preparedness, the 2007 ratings are similar to the 2006 and 2005 ratings; however, the 2006 ratings were significantly higher than the 2005 ratings.

FIGURE 25

Percent Positive: Assessment of Arbitrator by Survey Year  
(among those who received an award)



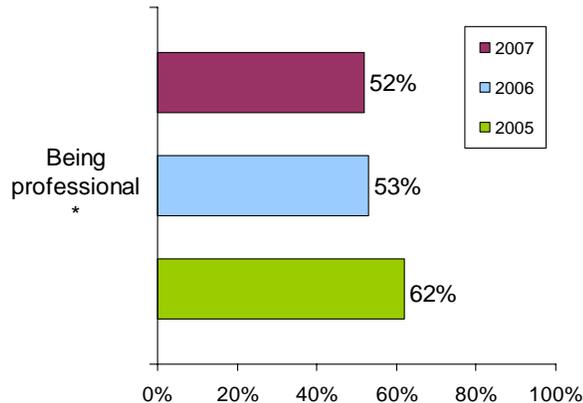
\* indicates a statistically significant difference between 2005 and 2006

\*\* indicates a statistically significant difference between 2005 and 2007

❖ **34 Among those who did not receive an award, satisfaction with the arbitrator's professionalism has declined significantly since 2005.**

In general, the differences in arbitrator ratings by survey year among those who did not receive arbitration awards were not found to be statistically significant. However, there was one exception: evaluations of the arbitrator's level of professionalism decreased significantly in 2007 (52%) from 2005 (62%), as shown in the next chart.

**Figure 26**  
**Percent Positive: Assessment of Arbitrator by Survey Year**  
(among those who did not receive an award)



\* indicates a statistically significant difference between 2007 and 2005

### **Group Differences**

- ❖ **35 Education influenced how award recipients rated the arbitrator in terms of knowledge about the case, while ethnicity seemed to affect those who did not receive an award in terms of how they assessed the arbitrator's professionalism, knowledge about the process, and overall interactions.**

Although 192 separate chi-square analyses were run to determine group differences (8 traits by 12 variables by 2 outcome groups), very few significant differences emerged.

Among **those who received arbitration awards**, participants who held a high school or vocational education were significantly more likely (100%) than those who held a college degree (82%) to rate the arbitrator favorably in terms of being knowledgeable about the case.

Among **those who did not receive an award**, participants who identified their ethnic background as Caucasian were significantly more likely than those who described their ethnicity as something else (Hispanic/Latino, African-American and Asian-Pacific Islander combined) to give positive ratings for the arbitrator in terms of:

- Overall interactions (40% vs. 25%),
- Professionalism (62% vs. 39%), and
- Knowledge about the process (61% vs. 39%).

### **Key Contributors to Overall Ratings**

- ❖ **36 Fairness was the most important aspect in terms of overall satisfaction with the arbitrator among those who received an award. Professionalism**

***was the most important aspect of the arbitrator among those who did not receive an award.***

Multiple regression analyses were run to determine which attributes were the most **important** to respondents in terms of their overall evaluation of the arbitrator. Results indicated that the important factors varied by hearing outcome.

Among award recipients, the most important aspect was fairness. Award-receiving respondents who were more positive about the arbitrator overall were also more likely to rate fairness positively in this group. Similarly, those less satisfied overall with the arbitrator were more likely to rate this attribute negatively. Other important factors (to a somewhat lesser degree) included professionalism and being knowledgeable about the law.

Among those who did not receive an award, being professional was the most important factor. Additionally, preparedness for the arbitration hearing, fairness, courtesy, and being knowledgeable about the specific case were important and highly correlated with overall satisfaction with the arbitrator.

In other words, the results of these analyses indicate that improvements in any one of these attribute areas should result in an increase in overall positive evaluations of the arbitrator.

## **MOST IMPORTANT PROCESS TO CONSUMERS**

- ❖ ***37 Although evaluations of the vehicle manufacturer's representative, interactions with the administrative service, and evaluations of the arbitrator all contributed to overall satisfaction with the entire arbitration process, satisfaction with the arbitrator was the most important part of the process to consumers.***

As in previous annual reports, we ran bivariate correlations to assess the strength of the relationship between satisfaction with each of the three processes just discussed (vehicle manufacturer's representatives, the administration service, and the arbitrator) and overall satisfaction with the entire arbitration process in order to see which overall aspects of the arbitration process were most important to consumers. In other words, we included in the analysis ratings of overall satisfaction with arbitration (question 20), overall assessments of the manufacturer's representative (question 80), the administration service (question 115) and the arbitrator (question 205). Results indicated that while all three processes were significantly related to overall satisfaction with arbitration, ratings of the arbitrator were most "important" followed in turn by evaluations of the administration service.

## SPECIFIC EVALUATIONS WITHIN MODE OF ARBITRATION HEARING

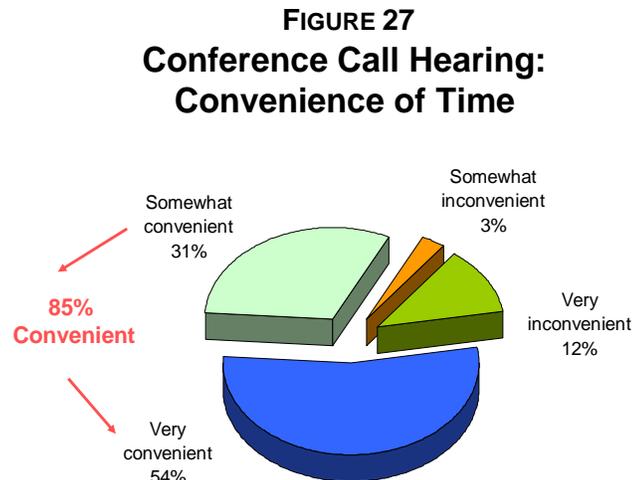
### Cumulative Results

#### Conference Call Hearings

Due to the small number of hearings that were arbitrated via teleconference calls (44 participants) in 2007, results of the questions addressed in this section were not found to be statistically different by hearing outcome. Therefore, the combined results are presented.

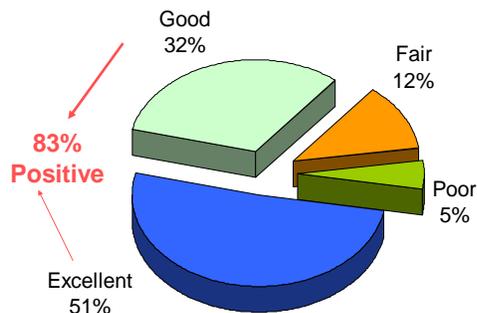
- ❖ **38 In general, participants whose cases were arbitrated via teleconference call felt their scheduled time was convenient (85%) and considered the transmission quality of the call to be “good” or “excellent” (83%).**

Those respondents whose cases were arbitrated by teleconference in 2007 were asked to rate the convenience of the time when the teleconference hearing was scheduled, using a four-point scale. Figure 27 indicates that, for the vast majority of these respondents (85%), the scheduling was not a problem. In fact, over half (54%) said it was “very” convenient. Only 12% felt the scheduled time was “very” inconvenient.



It can be seen in Figure 28 that transmission quality was also not a problem for hearings conducted by teleconference. Again, half of these respondents (51%) rated call quality as “excellent” and a further 32% said it was “good” for a total of 83% who gave positive ratings.

**FIGURE 28**  
**Conference Call Hearing:**  
**Transmission Quality of Call**



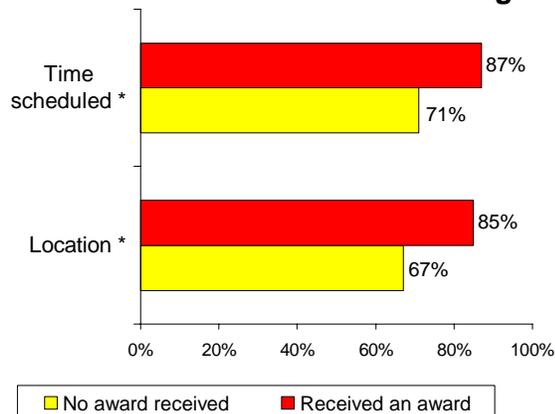
**In-Person at a Specific Location**

***Convenience: Time and Location***

- ❖ **39** *The time and location of the arbitration hearing were convenient for the majority of respondents who attended the in-person arbitration hearings among both those who received and did not receive an arbitration award.*

Respondents who had their hearings arbitrated in-person in 2007 (76% of all respondents) were asked to rate the scheduled time and location of their hearings in terms of convenience. Figure 29 indicates that the majority of respondents felt the time and the location of the in-person hearing was “somewhat” or “very” convenient both among award recipients (87% and 85%, respectively) and among those who did not receive an award (71% and 67%, respectively).

**FIGURE 29**  
**Percent Convenient (Very + Somewhat):**  
**Assessments of In-Person Hearings**



\* indicates a statistically significant difference between groups

**Regional Location**

- ❖ **40 Although In-person hearings were held in cities throughout the state, approximately half took place in the greater Los Angeles area.**

The specific cities where the in-person arbitration hearings were conducted are presented in the statistical binders. For the purpose of this report, locations were grouped into roughly five geographical regions. It can be seen in Table 13 that 48% of the in-person hearings took place in the Los Angeles area, followed by 15% in the Bay Area, 14% in Southern California, 12% in the Central Valley, and 10% in Northern California.

**TABLE 13: LOCATION OF IN-PERSON HEARINGS**

LOCATION	PERCENTAGE
Northern California:	10%
Central Valley:	12%
Bay Area:	15%
Los Angeles Area:	48%
Southern California:	14%

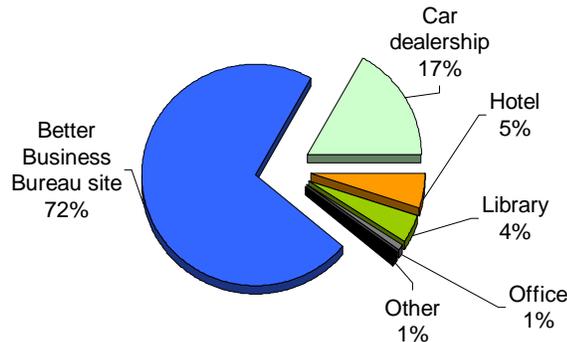
**Type of Venue**

- ❖ **41 BBB offices were by far the most common site of the in-person hearings (72%). Other venues used included car dealerships, hotels, and public libraries.**

The specific settings where the in-person arbitration hearings took place are presented in Figure 30. It can be seen that the majority (72%) took place at BBB sites, followed by car dealerships (17%), and hotels (5%), and public libraries (4%). The remaining 2% were conducted at other locations.

**FIGURE 30**

**In-Person Hearing: Location**



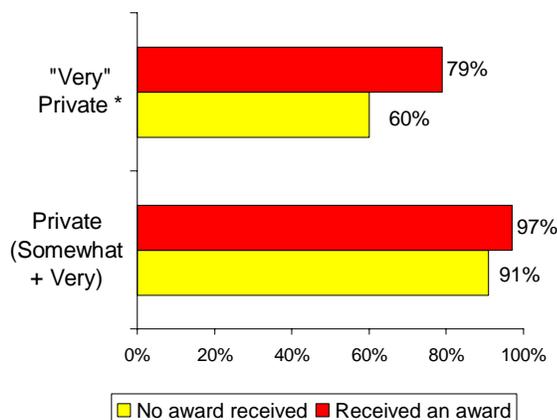
**Privacy of In-Person Hearings**

- ❖ **42** *Nearly all respondents who had their cases arbitrated in-person rated the environment of the hearing location as “private.”*

The privacy of in-person hearings was not an issue. Although those who received an award were significantly more likely than those who did not to say the hearing environment was “very” private (79% vs. 60%), the differences by hearing outcome were not statistically significant when the ratings of “very” private were combined with those of “somewhat” private as shown in the bottom portion of Figure 31. Fewer than 10% (3% of award recipients and 9% of those who did not get an award) said the hearing locations were “somewhat” or “very” public.

**FIGURE 31**

**Percent Private: Assessments of In-Person Hearings**



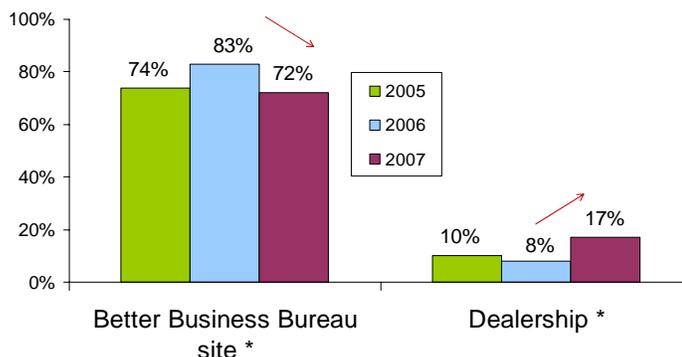
\* indicates a statistically significant difference between groups

## Year to Year Results

- ❖ **43** *In general, the 2007 evaluations of the in-person hearings were consistent with the results found in the 2006 and 2005 surveys with one exception. There were significantly fewer hearings being held at BBB sites and more at dealerships.*

In general, results of chi-square analyses indicated no significant differences from 2006 and 2007 among those who had in-person arbitration hearings – convenience ratings of the time scheduled, and convenience and privacy of the location were essentially the same from last year to this year. Similarly, the hearings were held at similar locations this year as last in terms of geographic location. However, results indicated that there was a shift in venue. While the majority of arbitration hearings continue to be held at Better Business Bureau sites, the proportion has dropped significantly from 2006 (83%) to 72% in 2007. This was offset by a significant increase in the number of hearings held at dealerships, which has doubled (17%) since 2006 (8%). Results are shown in the following chart.

**Figure 32**  
**In-Person Hearing: Hearing Location**  
**by Survey Year**  
 (among those whose hearing was conducted in person)



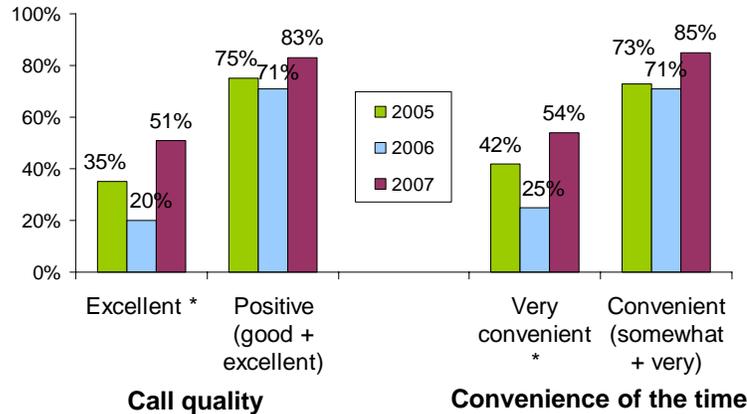
\* indicates a statistically significant difference between 2007 and 2006

- ❖ **44** *Those who conducted their hearing via teleconference were significantly more likely to say the call quality was “excellent” and the scheduled time was “very” convenient in 2007 than in previous years.*

There were only two differences to emerge from the chi-square analyses of the assessment of the teleconference call by survey year, as shown in the next chart. It can be seen that significantly more respondents gave “top box” ratings (of “excellent” or “very” convenient) in 2007 than in 2006. However, when these ratings were added to the “good” and “somewhat” convenient ratings,

respectively, the differences were minimal and not found to be statistically significant by survey year.

**Figure 33**  
**Percent Positive: Assessment of Teleconference Call by Survey Year**  
 (among those whose hearing was conducted via teleconference)



\* indicates a statistically significant difference between 2007 and 2006

## IMPROVEMENT OF PROCESS

### Likelihood of Repeating Same Process

#### Cumulative Results

- ❖ **45** *The vast majority of respondents (90%) who received an award said they would want the hearing conducted the same way, while 73% of those who did not receive an award would not.*

Respondents were asked: “if you had to go through vehicle arbitration again, would you want your hearing conducted in the same way?” and, once again, their responses depended upon whether or not respondents received an award. Nine in ten respondents (90%) who received an award said they would have the hearing conducted the same way, while 73% of those who did not receive awards said they would not have the hearing conducted the same way again.

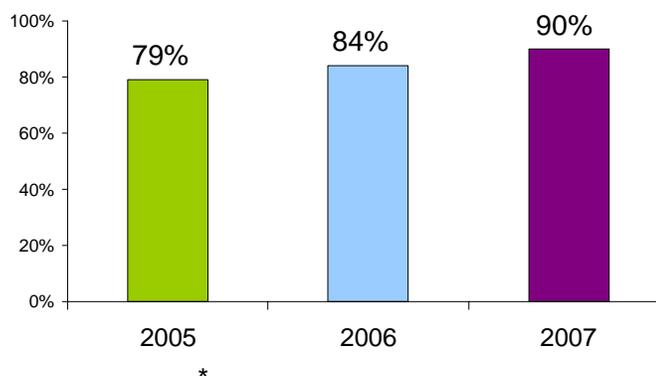
#### Year to Year Results

- ❖ **46** *Significantly more award recipients said they would conduct the hearing the same way this year (90%) than in 2005 (79%). Among those who did not receive awards, the 2007 results were the same as in previous surveys.*

There were no differences between 2005, 2006, and 2007 results in terms of the percentages who said they would want their hearings to be conducted in the

same way if they had to go through arbitration again among those who did not receive an award. However, the same cannot be said for award recipients. As shown in the next chart, it appears that those who received awards are increasingly more satisfied with the arbitration process they selected. Significantly more respondents in 2007 (90%) said they would repeat the same process again if they had to than in 2005 (79%).

**Figure 34**  
**Yes, would conduct the hearing the same way**  
**by Survey Year**  
 (among those who received an arbitration award)



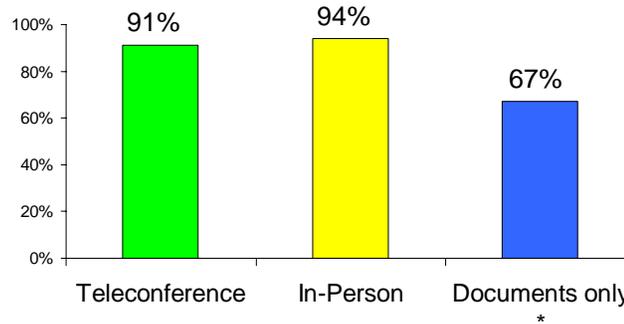
\* indicates a statistically significant difference between 2007 and 2005

### **Group Differences**

- ❖ ***47 Among those who received an arbitration award, the type of hearing influenced the likelihood of wanting to repeat the same hearing process if the need arose: those who conducted their hearing by documents only were significantly less likely to repeat.***

**Results of chi-square analyses indicated only one significant difference: the type of hearing.** Among those who received an arbitration award, those who said they would repeat the same hearing process if they had to were more likely to have conducted their hearing in person (94%) or via teleconference call (91%) than by documents only (67%). No demographic characteristics, vehicle manufacturer, administrative service, or type of survey defined those who would repeat the same process from those who would choose a different manner.

**Figure 35**  
**Yes, would conduct the hearing the same way**  
**by Type of Hearing**  
(among those who received an arbitration award)



\* indicates a statistically significant difference among groups

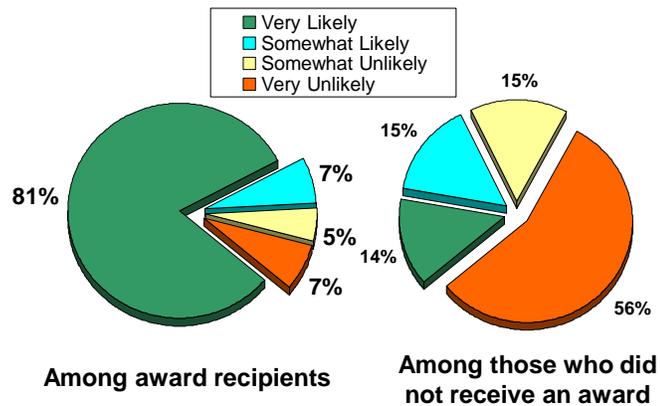
## ***Likelihood of Recommending Arbitration***

### **Cumulative Results**

- ❖ **48** *Nearly nine in ten (88%) of those respondents who received awards would likely recommend the arbitration process to a friend, compared with only 27% of those respondents who did not receive awards.*

A final way of evaluating the effectiveness of a program is to assess how likely someone is to recommend the product or service to others. With the vehicle arbitration process, it can be seen in Figure 36 that among those who did not receive an arbitration award, a combined total of only 29% were “somewhat” or “very” likely to recommend the process to a friend, shown in the pie chart on the right. This is contrasted with the pie chart on the left in which it can also be seen that the vast majority (88%) of those who received awards were either “somewhat” (7%) or “very” (81%) likely to recommend arbitration.

**FIGURE 36**  
Likelihood of Recommending the Arbitration Process



### Year to Year Results

- \* **49 Regardless of arbitration outcome, the likelihood of recommending arbitration remains the same in 2007 as it was in previous survey years.**

There were no significant differences from 2005 to 2006 among either group of respondents in terms of the likelihood of recommending the arbitration process to a friend.

### Group Differences

- \* **50 There were no other group differences in terms of the likelihood of recommending arbitration to others.**

Results of chi-square analyses indicated that no characteristics other than whether or not an award was received distinguished those likely to recommend the process from those unlikely to recommend arbitration.

### Suggestions for Improvement

- \* **51 Not surprisingly, there were more suggestions for improvement from respondents who did not receive awards than from those who did.**

Near the end of the survey, all respondents were asked to suggest one major change that could improve the arbitration process. Initial analyses indicated that arbitration outcome influenced the frequency of the suggestions as well as the type of comments. First, those who did not receive awards were more likely to offer suggestions (69%) than were those who received awards (45%). The comments that were received were categorized and the results are shown in the following charts. The categories that were mentioned significantly more often by

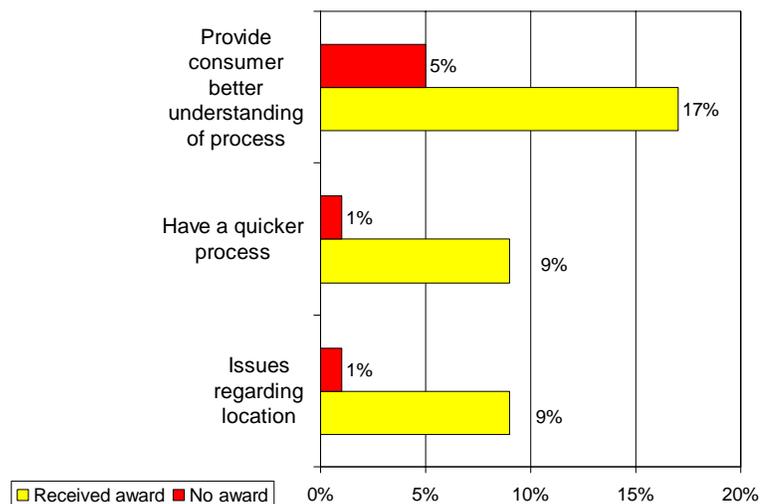
those who won awards were grouped together as were those that were mentioned more often by those who did not. The third chart displays the categories that were mentioned equally by both groups. A full listing of all the verbatim suggestions can be found in the statistical binder.

### Among Award Recipients

- \* **52 Those who received awards were more likely to suggest improvements that involve a better understanding of the process and a faster process, as well as issues regarding the hearing location.**

Respondents who **received an arbitration award** were significantly more likely to suggest that ACP provide consumers with a better understanding of the process, have a quicker process, and consider location issues. Figure 37 shows the categories and respective percentages by arbitration award for these responses.

**FIGURE 37**  
**Suggestion for Improvement**



A few of the suggestions<sup>21</sup> about providing the consumer with a better understanding of the process included:

- *"I did not know what to expect. I would have been better prepared myself"*
- *If they could clearly explain how to prepare and the value of witnesses and information.*
- *More information about the process and the number of steps that the consumer must go through should be provided by the program administrator.*
- *More information up front. Clarification on possible outcomes.*

<sup>21</sup> These verbatim suggestions were provided by both those who received and did not receive an arbitration award.

- *More knowledge to consumer how to prepare.*
- *Provide a step by step process of what to expect in a chart.*
- *Provide the consumer with more legal advice and strategy. The consumer is at the disadvantage of dealing with someone (the manufacturer) who had gone through the process many times before."*

A few of the suggestions about having a quicker process included:

- *"Faster payment from manufacturer after settlement - took over 30 days from signing settlement agreement.*
- *Más rapidez en las audiencias y decisiones en cuanto a fechas (quicker turnaround in the hearings and decisions in terms of the dates).*
- *The amount of time it takes to process the documents and case.*
- *The time in which it all takes place.*
- *Timeliness needs improvement."*

A few of the suggestions about the location of the hearing included:

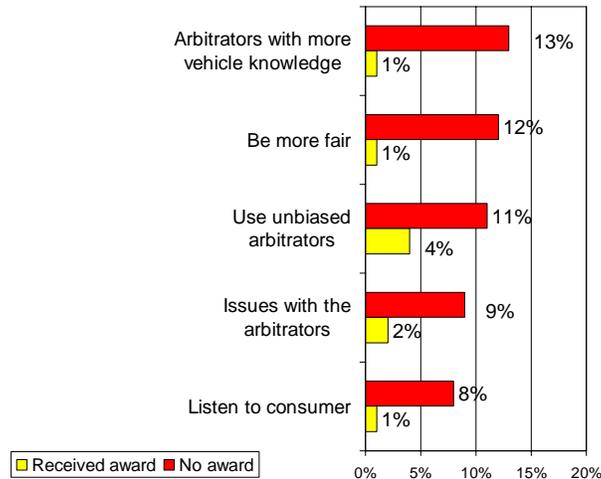
- *"Because the problem was with my car, and they wanted to see the car, the location needs to be looked at so if they could find a way to distribute the arbitrators in a more far ranging way so you didn't have to travel so far to go to a hearing with a car that is unsafe.*
- *More convenient locations.*
- *The distance (2 hours) that I had to drive.*
- *The location for the hearing was difficult. It was difficult to park."*

### **Among Those Denied an Award**

- ❖ **53** *Those who did not receive arbitration award were more likely to focus on the arbitrators in terms of needing more vehicle knowledge, being less biased, and listening to the consumer as well as other issues with the arbitrators. They were also more likely to suggest that the process be fairer.*

Respondents who **did not receive arbitration awards** were significantly more likely to suggest that the process use arbitrators with less bias and with more vehicle knowledge, to be fairer, and to listen to the consumer as shown below.

**FIGURE 38**  
**Suggestion for Improvement**



A few of the suggestions about having arbitrators (or someone) with more vehicle knowledge included:

- *"A third party expert should be present at the hearing to provide expert advice to the arbitrator who generally is not familiar with vehicle problems. My arbitrator was not familiar with vehicle problems in my opinion.*
- *Arbitrators need to have more knowledge of vehicles so they could really pinpoint the problems.*
- *Get someone who is familiar with vehicles and their workings.*
- *Knowledge of the vehicle they're examining, not vehicles in general.*
- *Someone who is knowledgeable about the vehicle and specific models or brands.*
- *The arbitrator should be a mechanic or from a mechanical repair background.*
- *The arbitrator should be familiar with automobiles, the technical aspects.*
- *The main arbitrator needs to understand the mechanical functions of an engine.*
- *The vehicle was a hybrid. Having someone there that was familiar with hybrids. The arbitrator was not familiar with hybrids. No one there was."*

A few of the suggestions about the being fairer included:

- *"Apply fairness and logic!*
- *Change the process from a pro-manufacturer process to a fair outcome based on applicable facts.*
- *Get somebody that is not in the favor of the company. They were all talking together before the hearing, and I could see how it was going to go before I even got in there.*
- *Not be biased in favor of vehicle manufacturer - my car has had 13 different warranty issues and I lost the arbitration. Pity the people who think that is normal and fair in your office.*
- *Que fueran más justos y ayudan mas al cliente (be more fair and help the consumer).*
- *Reduce dealer bias.*
- *To be more unbiased! BBB Auto Line is definitely in this for the auto manufacturer!"*

Suggestions about the using unbiased arbitrators included:

- *"Better screening of arbitrator so they are more unbiased.*
- *Everything was perfect. But if I have to provide constructive criticism, I would say make sure you over emphasize that the arbitrator is non-bias & non-partial. Give the consumer a greater comfort and trust level.*
- *Have fair arbitrators that would actually listen and not give the impression of what the outcome would be before any conversation started about the case.*
- *Hire honest people and unbiased arbitrators.*
- *That the arbitrator itself should be more neutral. Be like a middle person, and she wasn't way. She obviously knew the manufacturer and that made us uneasy.*
- *The Arbitration Certification Program must remove the relationship between the arbitrator and the manufacturer. My arbitrator at the BBB had worked with the representative of General Motors many times -- before my case! They both knew what to expect from each other."*

A few of the other suggestions about the arbitrators included:

- *"For the arbitrator to listen. I tried to explain the situation to the arbitrator and he seemed like I was just trying to make things up.*
- *Have professional arbitrators with professional backgrounds. If decisions are based on the "lemon law" state the requirement in the law.*
- *Have the arbitrator realize if he agrees with my case I win. He was an idiot who didn't get it. 2) Make the mfg. show up. I took the time they should too.*
- *Have the arbitrator take time to check out the complaint. Not make a decision in a matter of minutes.*
- *Having the arbitrator being more knowledgeable about your case.*
- *I think if the arbitrator did some research either online or looked at the history to the sort of problems that are being presented to him in a given case as opposed to dealing on a case-by-case basis.*
- *That the arbitrator read the material that was given. I had prepared a time line with all the invoices attached and everything highlighted and re-stated it to him verbally, and the facts that were in his decision were entirely inaccurate.*
- *That the arbitrator review the car.*
- *The arbitrator's need to be a lot more respectful and need to speak and explain the process."*

Finally some of the suggestions about listening to the consumer included:

- *"Be in tune with the customer's complaints and be aware of problems in car. Arbitrator attended session with closed mind.*
- *Be on the side of the consumer.*
- *Consider what the consumer has gone through.*
- *Less legal focused/more consumer friendly.*
- *Listen and pay attention to the consumer.*
- *Panel should see the problem from customer point of view.*
- *Show a little more heart and sympathy. Don't just look at it as a case but be in tune with the person.*
- *That they actually do their homework more and understand the consumer's point of view, especially when they are fighting a multi-billion dollar company.*
- *They need to listen to us the consumer. They base the decision on the big money. The dealers have the power and the money."*

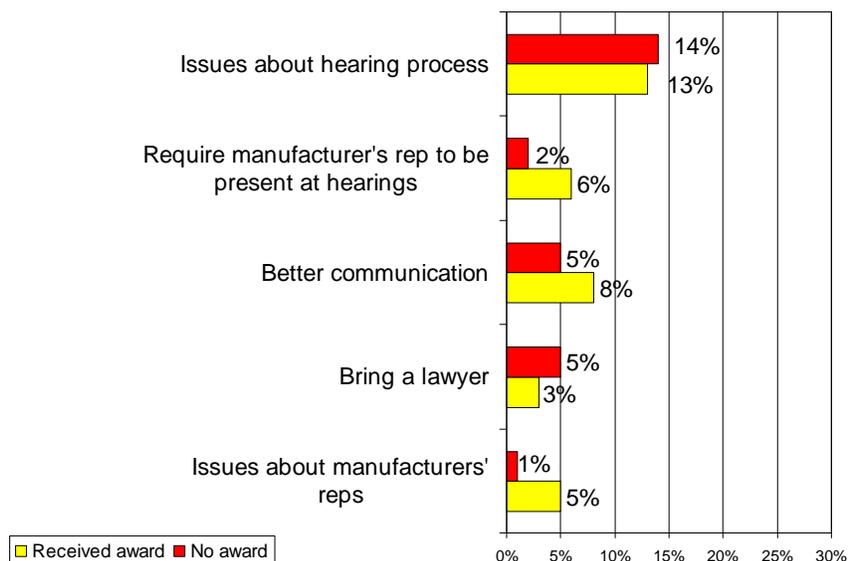
### Common to Both Groups

- ❖ **54** *Regardless of hearing outcome, issues about the hearing process and the manufacturer’s representatives were brought up by respondents, as well as a desire for legal representation, improved communication, and for a requirement that the manufacturer’s representative be present.*

Some suggestions were made as often by those who had won an arbitration award as by those who had not. These ideas included issues about the hearing process, better communication, the presence of a lawyer, requests for required attendance of the manufacturer’s representative, as well as other issues about those representing the vehicle makers. Results are shown in the next chart.

**FIGURE 39**

### Suggestion for Improvement



Some of the suggestions were self explanatory, such as requiring manufacturer’s representative to be present at hearing and bring a lawyer.

A few examples of the **issues about the hearing process** that were mentioned included:

- *“A better inspection of the vehicle, i.e., full check up of the engine or whatever it may be not just a 20 min. inspection without opening the engine.*
- *Allow more time at the meeting to present your case.*
- *Allowance of arbitration to the vehicle for at least 5-7 day evaluation.*
- *Have a panel of 2 or more people decide the outcome. What a waste of time!*
- *Have it conducted by the state itself and not by an arbitrator.*
- *Having the arbitrators final decisions reviewed by maybe like a panel or maybe a panel of other arbitrators all looking at it.*
- *I had to take a day off work. I wish it was on a weekend.*
- *It seemed logical to have the car there.*
- *Let the owner ride with the arbitrator to show what is wrong with the car.*

- *Make sure that you guys keep the documents on file that the consumer sends in.*
- *More flexible scheduling time.*
- *More involvement from administration service between manufacturer and client.*
- *Offer a copy of the audio tape. We were not offered a copy of the audio tape of the hearing. We still need a copy.*
- *Provide access to a computer for a person wanting to file a claim.*
- *Provide professional support for the car owner since the manufacturer's representative has a distinct advantage.*
- *Que el árbitro checara y revisara el auto antes de tomar una decisión. (that the arbitrator check and review the car before making a decision).*
- *The arbitrator and manufacturer's representative and the technician inspector did not review the file and have no knowledge of the record which I had provided prior to the hearing.*
- *The arbitrator needs to have personal contact with experts hired. In my case, the arbitrator misinterpreted the written response.*
- *The consumer should be compensated for the hardship they go through.*
- *The continued involvement of the program or arbitrator until the work order is complete.*
- *The people that work on the cars from the dealership should be allowed to make a statement.*
- *There is no incentive for the manufacturer to settle beforehand. Force the manufacturer to pay an additional fine if they lose."*

Some of the suggestions for **better communication** included:

- *"Better communication.*
- *Easier to contact CDSP, not an answering machine.*
- *Feedback from the arbitrator. I felt like I was left out of the process.*
- *Having better communication opportunities then the customer by reviewing the customer's communications first and then responding to the arbitrator.*
- *It would be nice if someone from the California Dispute Settlement Program contacted me. I wasn't sure what to do.*
- *More information regarding reason for outcome. More tests regarding vehicle issues.*
- *More interaction with dealer/manufacturer. It didn't seem like I got what I needed.*
- *More phone lines in to the BBB. I got a lot of busy signals.*
- *Que tengan personal que hable español. (Personnel who speak Spanish.)*
- *Send letter of decision with a return receipt requested. I never received my letter of decision and case closed before I knew it.*
- *Tell the person about the hearing.*
- *That when I request something, I should get what I request. I asked for a verbal hearing.*
- *When they direct a company on a buyback, there should be more communications on that - like let the company know that they're not going to charge me like \$2000 for various things. They wanted to charge me the money and then make me pay for the things.*
- *When you first call looking for answers, you should be able to get some kind of answer (instead of waiting for someone to call you back) so you know what to do or what you're in for."*

Finally suggestions about the **manufacturer's representatives** included:

- "Control manufacturer's aggressive attitude. Don't try and manipulate consumer.
- Having VW send a professional representative, and not a rude & arrogant one! I believe the arbitrator could even say the same of the rep. VW sent.
- I was disappointed with the interaction with the manufacturer! There seems to be a complete lack of concern and involvement.
- It is a tremendous amount of work to put the package together. There was a total incompetence on the part of the manufacturer.
- Make sure that manufacturers provide friendly and professional people.
- More cooperation with the manufacturer and/or dealer in assisting the customer in a resolution.
- Require the manufacturer to have more knowledgeable about the process - once decision was awarded - manufacturer became clueless about steps to take & any costs/fees. Very frustrating.
- The MFG provided false documents & repair orders that never took place. This process is one sided and unfair.
- The rep. from Toyota already had her mind made up to decline. Very rude, one sided. Very disappointed. Very unfair."

## DEMOGRAPHICS

### Summary Table

- ❖ **55 As in previous survey years, the plurality of survey respondents who had vehicles arbitrated in 2007: were males, were aged between 35 to 44 years, were well educated (college degree or higher), were Caucasian, lived in households with annual incomes of \$100,000 or more, spoke English at home, had home computers with Internet access, and owned their vehicles. The median number of vehicles in the household was two. Most respondents owned their vehicle and had purchased it new.**

Respondents were asked a series of demographic questions at the end of the questionnaire. The next table includes results from 2007, 2006, and 2005. The results are very similar and any differences in percentages were not found to be statistically significant. The pluralities summarized above are highlighted for easy reference. (The total of some columns may not add up to 100% due to rounding.)

**TABLE 14: DEMOGRAPHIC CHARACTERISTICS**

GENDER	2005	2006	2007
Female	37%	38%	38%
Male	63%	62%	62%

**California Department of Consumer Affairs - Arbitration Certification Program**

2007 Consumer Satisfaction Cumulative Annual Summary Report

**Final Results Report**

March 2008

<b>AGE</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>
18 – 24	5%	5%	4%
25 – 34	20%	19%	22%
35 – 44	30%	28%	24%
45 – 54	22%	23%	25%
55 – 64	15%	13%	15%
65+	8%	11%	11%

<b>EDUCATION</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>
High school or less	15%	15%	15%
Trade or vocational school	5%	5%	9%
Some college	32%	35%	32%
College graduate	28%	28%	30%
Post graduate work or degree	20%	17%	15%

<b>ETHNICITY</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>
African-American	6%	6%	4%
Asian / Pacific Islander	7%	8%	8%
Caucasian	63%	59%	60%
Hispanic / Latino	21%	22%	21%
Other	3%	5%	7%

<b>INCOME</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>
Under \$20,000	5%	4%	3%
\$20,000 to \$39,999	13%	11%	14%
\$40,000 to \$59,999	15%	17%	19%
\$60,000 to \$79,999	16%	17%	13%
\$80,000 to \$99,999	15%	13%	12%
\$100,000 or more	37%	37%	38%

<b>PRIMARY IN HOME LANGUAGE</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>
English	85%	87%	87%
Spanish	10%	8%	9%
Other	5%	5%	4%

INTERNET ACCESS FROM HOME	2005	2006	2007
Internet access / home computer	86%	86%	89%
Home computer / no Internet access	3%	2%	2%
No home computer	11%	12%	9%

### Specific Vehicle Characteristics

In terms of the number of vehicles that respondents had in their household, responses ranged from none to 15 in 2007. The most common response (mode) and the median<sup>22</sup> were two vehicles.

**TABLE 15: VEHICLES IN HOUSEHOLD**

NUMBER OF VEHICLES IN HOUSEHOLD	2005	2006	2007
None	0%	<1%	<1%
One	13%	14%	13%
Two	37%	40%	38%
Three	25%	25%	23%
Four	14%	12%	14%
Five	5%	2%	6%
More than five	6%	7%	6%

Respondents were also asked if they owned or leased the vehicle in question as well as whether they purchased it new or from a previous owner. As shown in previous surveys, the overwhelming majority of respondents owned the car (91%) and had purchased it new (94%).

VEHICLE OWNERSHIP	2005	2006	2007
Lease	11%	10%	9%
Own	89%	90%	91%

<sup>22</sup> The median number represents the 50<sup>th</sup> percentile, a point in which half of the responses lie above this and half of the responses lie below this number. Given the wide range of responses, this is more meaningful than the average (or mean), which was 2.86.

VEHICLE CONDITION AT PURCHASE	2005	2006	2007
Previously owned	5%	5%	6%
New	95%	95%	94%

## **SUMMARY CONCLUSIONS & RECOMMENDATIONS**

Over the four quarters of 2007, consumer satisfaction surveys were conducted by telephone or by mail with a total of 538 California residents who went through a vehicle arbitration process as overseen by the Arbitration Certification Program of the California Department of Consumer Affairs. The combined results are considered accurate within +/- 3.5%, nineteen times out of twenty.

Results indicate that in general, in 2007 there is still much room for improving the visibility and image of the arbitration process: only 25% of all respondents were familiar with the Lemon Law and arbitration process prior to purchasing their vehicle.

Assessments of the arbitration service depended on the outcome of the respondent's case. Those respondents who received awards felt the program provided a valuable service and considered the program to be neutral and unbiased, while those who did not receive awards held completely opposite opinions. Similarly, the vast majority (88%) of respondents who received awards said they would recommend the process to a friend compared with only 29% of those who did not.

In terms of overall satisfaction with the entire arbitration process, results indicated that 82% of respondents who received arbitration awards during 2007 were satisfied with their own personal experience with the entire arbitration process. These results are not significantly different from 2006 (87%), but are significantly higher than in 2005 (73%) The proportion of satisfied participants among those who did not receive awards remained unchanged (22%) over the three years.

Those who received awards were significantly more positive in their evaluations of the application and the process itself in terms of being fast and fair than those who did not, although fairness was more important than speed to both groups of respondents. The majority of all in-person hearing participants continue to be satisfied with the convenience of the time and location of the hearing as well as with the site's level of privacy. Similar results were found among those who had conference call hearings in terms of the convenience of the scheduled time and the call quality. In 2007, more hearings were held at dealerships than in previous years up to 17% (from 8% in 2006), although the majority (72%) are still held at a BBB site.

In general, respondents held more favorable opinions of their overall experience with the administration service and with the arbitrator than with the vehicle manufacturer's representatives. This was true whether or not respondents had received an award.

In terms of individual attributes, regardless of arbitration outcome, respondents valued courtesy the most in their interactions with vehicle manufacturer's representatives. The important factors of the administration service varied by hearing outcome. Among those who received an award, providing reliable information and assistance was most

important; however, among those who did not, being knowledgeable about the process was the most important. Being fair was the trait most valued in the arbitrator among those who received an award, while professionalism was the most important aspect among those who did not.

Interactions with the arbitrator continue to be the most important to overall satisfaction with the entire arbitration process, although evaluations of the vehicle manufacturer's representatives and the administrative service also contribute (just to a lesser degree).

About four in ten respondents (39%) received an arbitration award in 2007, a percentage that has remained stable since 2005. Those who received an award continue to be significantly more positive in their evaluations of all aspects of the arbitration process than respondents who did not receive an award.

### **Recommendations:**

1. Based on the 2007 survey results, ACP should continue its outreach efforts to inform consumers about the California Lemon Law and the arbitration process in order to increase the visibility of the program.
2. Arbitrator evaluations continue to be the most highly related to overall satisfaction with the arbitration process and, therefore, ACP should continue to monitor the arbitrators, particularly with regards to perceived bias (or fairness) as well as professionalism, which has decreased since 2005. Suggestions for improvement also highlight the consumers' desire for more vehicle knowledge among those who ultimately decide the case.
3. ACP should continue to emphasize to the BBB and the CDSP the importance of providing reliable information and assistance to consumers who apply to the vehicle arbitration program. It is also important that representatives of the administration services are knowledgeable about the arbitration process in order to help provide the consumer with a better understanding of what to expect during their arbitration experience.
4. Although there was notably more representation by the vehicle manufacturers this year, ACP could continue to stress the importance of having the representatives participate in the hearing process either in person or by teleconference call.
5. Manufacturers' representatives should continue to be reminded of the importance of courtesy in the arbitration hearing process – specifically among those who represent manufacturers that use the BBB to administer their vehicle arbitration cases. It is also important for the representatives to ensure accurate information is provided for the hearing.