

## Unit-5

### CONSUMER SATISFACTION AND CONSUMERISM

#### Concept of consumer satisfaction.

##### Meaning of consumer satisfaction:-

Customer satisfaction is defined as **a measurement that determines how happy customers are with a company's products, services, and capabilities**. Customer satisfaction information, including surveys and ratings, can help a company determine how to best improve or changes its products and services.

Consumer satisfaction refers to the degree of contentment or fulfillment that a consumer experiences after making a purchase or using a product or service. It is a subjective assessment of whether the product or service met, exceeded, or fell short of the consumer's expectations. Several factors contribute to consumer satisfaction:

1. **Product or Service Performance:** The primary factor influencing consumer satisfaction is the actual performance of the product or service. If it functions as expected, meets quality standards, and fulfills the consumer's needs, it is likely to result in satisfaction.
  2. **Customer Service:** Positive interactions with customer service representatives can significantly impact consumer satisfaction. Prompt and helpful responses to inquiries, efficient issue resolution, and overall positive customer service experiences contribute to satisfaction.
  3. **Value for Money:** Consumers assess whether the perceived value of the product or service justifies the cost. If they feel they received good value for the money spent, it enhances satisfaction.
  4. **Reliability and Durability:** Products that are reliable, durable, and have a longer lifespan contribute to higher satisfaction. Consumers appreciate products that require minimal repairs or replacements.
  5. **Convenience:** Convenience in terms of product availability, ease of purchase, and accessibility can contribute to satisfaction. Convenient shopping experiences, user-friendly interfaces, and hassle-free processes enhance satisfaction.
  6. **Brand Reputation:** Consumers often associate satisfaction with the reputation of the brand. Positive brand perceptions, trustworthiness, and a history of delivering quality products or services contribute to overall satisfaction.
  7. **Communication and Transparency:** Clear and transparent communication from the company regarding product features, pricing, and policies can positively impact satisfaction. Consumers value honesty and openness in their interactions with businesses.
  8. **Innovation:** Consumers may derive satisfaction from innovative features or improvements in products or services. Companies that stay ahead of the curve and offer something new and exciting can enhance customer satisfaction.
  9. **Customization and Personalization:** Tailoring products or services to individual preferences contributes to satisfaction. Personalized experiences, recommendations, and customizable options can create a positive impression.
  10. **Post-Purchase Support:** Adequate support after the purchase, such as warranty services, product support, and follow-up communications, can contribute to long-term satisfaction.
- Monitoring and understanding consumer satisfaction is crucial for businesses as satisfied customers are more likely to become repeat customers, recommend the brand to others, and

contribute positively to the company's reputation. Regular feedback, surveys, and assessments help businesses identify areas for improvement and maintain high levels of customer satisfaction.

Customer dissatisfaction occurs **when customers feel that their needs, wants and expectations have not been met by a company or service provider** — and there's usually a snowballing effect to it, several things going wrong one after another.

### **Consequences of customer dissatisfaction:-**

Consumer dissatisfaction refers to the discontent or displeasure experienced by consumers when their expectations are not met in terms of product or service quality, customer service, or overall customer experience. Several factors can contribute to consumer dissatisfaction:

1. **Product or Service Quality Issues:** Consumers expect products and services to meet certain standards. If a product is faulty, does not perform as promised, or if a service is subpar, it can lead to dissatisfaction. Quality issues may include defects, malfunctions, or poor craftsmanship.
2. **Poor Customer Service:** Inadequate or unsatisfactory customer service is a common cause of dissatisfaction. This can include unresponsive customer support, rude or unhelpful staff, long wait times, and difficulty in resolving issues or complaints.
3. **Misleading Advertising:** If consumers feel that they were misled by false or exaggerated advertising claims, it can lead to dissatisfaction. Unmet expectations arising from inaccurate product descriptions or deceptive marketing practices can erode trust.
4. **Mismatched Expectations:** Sometimes, dissatisfaction occurs when consumer expectations do not align with the actual product or service delivered. This could be due to a lack of clarity in communication or misunderstandings about what the product or service entails.
5. **Supply Chain Issues:** Delays in product delivery, backorders, or inventory shortages can lead to dissatisfaction. Consumers may expect timely delivery and may be disappointed if they experience delays or disruptions in the supply chain.
6. **Hidden Costs:** Surprise fees or hidden costs that were not disclosed during the purchase process can lead to dissatisfaction. Consumers appreciate transparency, and unexpected charges can create a negative experience.
7. **Lack of Innovation or Updates:** In rapidly evolving markets, consumers may become dissatisfied if a product or service lacks innovation or fails to keep up with industry trends. Obsolete technology or outdated features can lead to dissatisfaction among tech-savvy consumers.
8. **Data Security Concerns:** In an era where data breaches and privacy concerns are prevalent, consumers may become dissatisfied if a company fails to adequately protect their personal information. Security lapses can erode trust and lead to dissatisfaction.
9. **Unresolved Complaints:** If consumers encounter issues and their complaints are not resolved in a timely and satisfactory manner, it can contribute to dissatisfaction. Effective customer complaint resolution is crucial for maintaining customer satisfaction.

Addressing consumer dissatisfaction is essential for businesses to maintain a positive reputation, retain customers, and thrive in the marketplace. Companies should actively seek feedback, address issues promptly, and continuously strive to improve their products, services, and customer interactions.

## **Consumer dissatisfaction**

### **Meaning of Consumer dissatisfaction**

Consumer dissatisfaction refers to the displeasure or unhappiness experienced by customers with a product, service, or overall brand. It occurs when consumers' expectations are not met, and they feel that the value they received falls short of what was promised or anticipated. Dissatisfaction can arise from various factors, including product quality, customer service, pricing, communication, or the overall customer experience.

Honestly, there's an extremely wide range of causes of customer dissatisfaction. But we're making down the most common and significant ones here.

#### **1 Quality**

If the quality of your offerings does not meet your customers' expectations, they aren't going to be satisfied doing business with you. It's that simple. You've got to make sure that the quality of your products and services meets and even exceeds your customers' expectations at all times.

#### **2 Pricing**

If your customers feel like your product or service is overpriced, they aren't going to be too happy about it. This doesn't mean that they're going to always be dissatisfied if your offerings are expensive. What it means is that the price needs to be justified.

If you want your customers to pay you more, you need to give them more value and better quality.

#### **3 Features and specifications**

If you give your customers a list of features and specifications that your product or service will have, you better make sure it has those features and specs. If your customers go in expecting certain features and find out that they aren't getting what they paid for, they're going to be rather frustrated.

#### **4 Usability**

Your customers want products that are intuitive and easy to use. If it's hard for them to use your product or there's too much of a learning curve involved, they might not be too satisfied with it. You want to reduce customer effort as far as possible.

#### **5 Hidden costs**

You want to keep things transparent with your customers. If they see a price mentioned and go ahead to make the purchase, ambushing them with surprise costs is not the best idea. Hidden information and costs can be rather annoying for your customers and may cause them to back out of the purchase, even if they could afford it.

#### **6 Substandard customer service**

If you don't respond quickly to your customers when they face issues, they aren't going to be satisfied doing business with you. But that's not the only thing. If you don't provide support in the language they are most comfortable with, that's another red flag.

Forcing them to hop around across multiple agents till they're finally transferred to one that can handle their issue? You're in the danger zone.

Now, you don't want to make it worse by asking them to repeat their queries when they're transferred across agents. You don't even want to ask them to repeat things that they mentioned in past conversations.

### **Meaning of Customer complaint**

A consumer complaint or customer complaint is "**an expression of dissatisfaction on a consumer's behalf to a responsible party**" (London, 1980). It can also be described in a positive sense as a report from a consumer providing documentation about a problem with a product or service.

### **Customer complaint types**

Customer complaints are often an unavoidable part of running a business. Complaints can also help you learn more about your customers, which is important for running a successful business.

Let's find out what type of complaint a customer can have.

#### **Product or service.**

Customers might complain about a company's product or service. A customer may say a product is broken or doesn't work as planned. When this happens, record the customer's complaints well. This information may assist your company in enhancing its products and services.

#### **Time spent waiting**

This issue may arise when a client calls a company and has extended wait times. It may also happen while a person waits in line for service, like at a restaurant table. If a consumer complains about the delay, you should acknowledge the time. If possible, explain the wait duration to the consumer.

#### **Delivery**

Online businesses often send products to clients. When a company delays a product's delivery, customers may complain. Sometimes the postal carrier delays delivery, not the company. When this happens, you may check the package's tracking and reassure the customer. If the carrier misplaced the package, contact them to correct the situation.

#### **Personnel**

A consumer may file a personnel complaint if they are unhappy with an employee. When a consumer complains about an employee, ask for details. If they don't know the employee's name, ask for a description based on their communication. Apologize to the frustrated customer. Assure the customer that you'll talk with the employee.

#### **Online**

Suppose a customer makes a public complaint on a forum or social media site. In that case, many people may notice the complaint and address it promptly. Ask for the customer's contact information and provide yours, including your name, phone number, and email. If you find online feedback, contact the individual to address their issues.

Continual

To preserve consumer confidence:

- Handle issues immediately.
- Ask for inquiries to find the problem's cause and a solution.
- Many customers report that a product's missing parts. Continuous complaints arise when one or multiple consumers complain repeatedly.

In that case, a manager may stop selling it until the problem is resolved.

Communication

Miscommunication may lead to customer communication complaints. This misconception might happen when a client communicates with an employee or misinterprets a company's marketing, such as an ad. When communication issues come up, identify the cause so you may find a remedy.

### **Ways to handle customer complaint**

Taking the lead in solving customer complaints can help you keep customers and make necessary changes to the way your business works.

The required actions you may take to address consumer concerns are listed below:

#### **Consider the complaints.**

The first step in responding to a customer's complaint is listening attentively. Active listening, including eye contact and comments, shows the consumer you care about their problem. Carefully listening to the issue might help you choose the best line of action.

#### **Apologize to the customer.**

Responding to a customer complaint also involves apologizing. If a consumer complains, apologize. Respond to bad reviews to retain your company's image. Apologizing helps you connect with the consumer before offering a solution.

#### **Engage in inquiry.**

Asking follow-up questions helps you better comprehend a complaint. You might ask the consumer for instances to help you understand the concern. Try to get to the bottom of the problem to enhance your organization.

#### **Come up with a fix.**

You may develop a solution after listening to the complaint, apologizing, and asking follow-up questions. Provide the solution and answer any inquiries. Make sure they know how to reach you.

#### **Make sure the solution is effective.**

After offering a solution, make sure it works. Contact the consumer to confirm that the strategy worked. This might build your consumer connection and demonstrate that you care.

#### **Thank you, customer.**

Also, thank the customer for their input. Thanking the customer might finish the encounter positively. This might build client loyalty to your organization. Keep track of the complaints.

Complaints and solutions might help you uncover trends and enhance your organization. Improving these areas may help you prevent complaints and enhance customer service. If you solve a complaint, record it.

Consumerism is **a cultural model that promotes the acquisition of goods, and especially the purchase of goods, as a vehicle for personal satisfaction and economic stimulation.** Consumerism is often confused with capitalism but the latter is an economic system, while the former is a pervasive cultural attitude.

### **Consumerism in India**

The consumer in India had started its journey with a need to raise his voice against the quality of goods as early as 1969 through housewives in Mumbai. It took the shape of a revolution at a later stage, and one day, our parliament passed an act for the welfare of consumers in 1986.

The consumer is the person who purchases the goods and services for his self-consumption including the use of the goods for his self occupations.

Consumerism means “the welfare of the consumer by safeguarding their rights by giving required protection to them from restrictive trade practices and unfair trade practices, and also from the goods/services injurious to them, and to save them from the economic exploitations by the well organized and trained sellers/traders/manufacturers of goods and services.

Consumerism has over time developed into a sound force designed to aid and protect the consumer by exerting legal, moral, and economic pressure on producers and providers in some of the developed countries.

The success of consumerism lies in the realization of the business that there is no substitute for voluntary self-regulation. Little attention from the business will not only serve consumers’ interests but will also benefit them.

The best possible solution is that the Consumers must be aware of their rights, join voluntary Consumer organizations, raise a voice against exploitation, and seek redress of their grievances in time.

### **Reason for growth of consumerism in India**

The growth of consumerism in India can be attributed to various factors that have shaped the country's economic landscape over the years. Some of the key reasons for the growth of consumerism in India include:

1. **Economic Growth:** India has experienced significant economic growth over the past few decades, leading to an increase in per capita income. This rise in income levels has empowered a larger section of the population to spend on non-essential goods and services, contributing to the growth of consumerism.
2. **Demographic Dividend:** India has a large and youthful population, which forms a significant consumer base. The demographic dividend, characterized by a large working-age population, has led to increased consumer spending as more people enter the workforce and contribute to the economy.
3. **Urbanization:** Rapid urbanization has resulted in lifestyle changes and increased exposure to global trends. Urban areas often witness higher disposable incomes, access to a wide range of products, and the influence of advertising and marketing, all of which contribute to the growth of consumerism.

4. **Globalization:** Increased integration with the global economy has exposed Indian consumers to a wider array of products and brands. The availability of international goods and services, along with global marketing strategies, has contributed to a shift in consumer preferences towards more diverse and often higher-priced products.
5. **Technological Advancements:** The widespread adoption of technology, especially the internet and smartphones, has played a crucial role in driving consumerism. E-commerce platforms have made it easier for consumers to access a wide range of products and services, fostering a culture of convenience and instant gratification.
6. **Changing Lifestyles and Aspirations:** As lifestyles evolve and aspirations change, consumers seek products and services that align with their evolving preferences. This shift in consumer mindset, from essential needs to aspirational and lifestyle-driven choices, has fueled the demand for a variety of goods and services.
7. **Financial Liberalization:** Economic reforms and liberalization policies in the 1990s opened up the Indian economy to foreign investment and competition. This led to increased market dynamics, with a plethora of choices available to consumers, fostering a more competitive consumer market.
8. **Government Policies:** Certain government policies, such as financial inclusion initiatives and subsidies, have positively impacted the purchasing power of consumers. Policies that promote economic stability and growth can contribute to an environment conducive to consumer spending.
9. **Cultural Shifts:** There has been a shift in cultural attitudes towards consumption. The perception of certain products as status symbols or indicators of success has driven increased consumer spending on luxury items and premium brands.
10. **E-commerce Boom:** The rise of e-commerce platforms has provided consumers with easy access to a vast array of products, often at competitive prices. Online shopping has become a significant driver of consumerism, allowing people to make purchases conveniently from the comfort of their homes.

While the growth of consumerism in India has brought about positive economic changes, it is essential to strike a balance to ensure sustainable and responsible consumption, considering environmental and social factors.