

## Consumer Satisfaction Omnibus (CSO)

Gene Telsar, Gene Telsar, Inc.

### ABSTRACT

A pilot study for a new commercial research service suggests that marketers of consumer products may be underestimating any consumer complaints about their products. If they rely only on the letters of complaint they receive sales could deteriorate before the problem became apparent.

The Consumer Satisfaction Omnibus (CSO) was developed to provide manufacturers of consumer products with a practical, cost-efficient way to monitor possible consumer unhappiness with their products. A unique combination of telephone and mail survey methods will be used so that the superior sampling possible with telephone surveys can be combined with the cost savings of mail surveys.

CSO will start with a modified random digit dialing sample of 5,000 U.S. households. Upon completion of the telephone interviews with the "primary grocery shoppers" in these households to determine product category usage and obtain demographic characteristics, questionnaires pertaining to complaints and dissatisfactions with the products used in these households will be mailed. Based upon the pilot study results we anticipate that a total of 2,600 to 2,700 of those households originally contacted will respond to the mail survey. The actual number of responses per product category will depend upon the incidence of use of that category. The results of the pilot survey summarized here demonstrate some of the kinds of data which will be obtained from CSO. It must be noted that we have not included many of the possible cross-tabulations since the pilot study was based on a telephone sample of 500 households with 275 mail responses. Thus, we have not shown any of the demographic breaks nor some of the brand detail.

#### DEPENDING ON THE PRODUCT CATEGORY, UP TO 4 IN 10 HAVE SOME COMPLAINT OR DISSATISFACTION WITH ONE OR MORE BRANDS

In the pilot study for CSO, conducted in 10 market areas across the country, we included 17 product categories. Four were frozen foods, eight were other food products, two household products and three personal care items.

At least 20% of the users in 14 of the 17 product category expressed some complaint or dissatisfaction with one or more brands in the category.

One-third or more of the users had some complaint in the following categories:

- Deodorant/Antiperspirants
- Potato chips/corn chips
- Carbonated beverages

From one-fourth to one-third had complaints about these kinds of products:

- Frozen dinners/entrees
- Frozen pizza
- Hair spray
- Feminine protection
- Ready-to-eat cereals
- Laundry detergents

Other categories for which at least one-fifth voiced complaints are:

- Hot dogs
- Liquid household cleaners
- Yogurt
- Frozen seafood

These represent potentially serious levels of dissatisfaction which could, in the long run, lead to marketing problems for the brands which are not well regarded by consumers after they have used them. Even the finest quality control procedure for a well-designed product does not necessarily prevent dissatisfaction in the market-place. Any problems could lead to rapidly declining sales.

#### TWO-THIRDS OR MORE OF THOSE WITH COMPLAINTS REPORT THAT THEY STOPPED BUYING THAT BRAND

The importance of monitoring consumer satisfaction with a product is evidenced by the findings of our pilot study that in any product category the vast majority of consumers with complaints will stop buying the brand in question. Some write, some complain to the retailer and return the product there, some just accept the fault. But, at least two-thirds will express their dissatisfaction where it hurts the most--at the cash register. Moreover, once they have switched from a brand, or stopped using the product-type altogether, it is quite a task to get them back into the fold.

It is of considerable consequence, for example, that in the following product categories 80% or more (!) of those with complaints about a brand, say they stopped buying it as a result of their unhappiness:

- Laundry detergent
- Deodorant/anti-perspirant
- Dry soup mixes
- Hair spray
- R.T.E. cereals

In the following categories two-thirds to four-fifths stopped buying because of a dissatisfaction:

- Carbonated beverages
- Frozen seafood
- Spaghetti sauce
- Liquid household cleaners
- Frozen vegetables
- Feminine Protection
- Frozen dinners/entrees
- Potato chips/corn chips
- Frozen pizza
- Yogurt

Overall, in the pilot study we received a total of 1,096 complaints or dissatisfactions. Eighty point one percent (80.1%) of these complaints resulted in no longer buying the brand in question. Less than 1% of the consumers say they wrote to the manufacturers. Mail may be telling a marketer something about what is going on out there in the market but, at best, it provides only a limited picture.

#### IN SOME PRODUCT CATEGORIES SPECIFIC BRANDS "LEAD THE WAY" WITH COMPLAINTS

In many of the product categories we have looked at so far there is one brand that is clearly having consumer complaint "leader." We recognize that this may be, in part, a function of a given brand having

a predominant share of the market and thus, on a numerical basis alone, more likely to receive a higher number of complaints. But dissatisfaction still leads to a loss of customers, so it must be monitored regularly.

Following are those product categories in which there seems to be a clear "leader" in the complaint department:

- Frozen pizza
- Carbonated beverages
- Yogurt
- Frozen seafood
- Feminine protection
- Spaghetti sauce
- Frozen vegetables
- Laundry detergents

In several categories there are two or more brands with noticeable levels of complaint. These are:

- R.T.E. Cereals
- Frozen dinners, entrees
- Hair spray
- Potato/corn chips
- Hot dogs
- Deodorant/antiperspirant

IN TWELVE OF THE SEVENTEEN CATEGORIES, ONE OR MORE OF THE BRANDS HAS AN "INDEX OF SERIOUS BRAND DISSATISFACTION" OF 110 OR HIGHER

Perhaps the key indicator of the degree of consumer dissatisfaction is the incidence of those with a complaint who stop buying the brand because of the complaint or dissatisfaction. Accordingly, we have developed an "Index of Serious Brand Dissatisfaction" for each brand, within its own product category.

This index is the ratio of a brand's "complainers" who say they stopped using the brand as a result of their complaints to the overall incidence of those who stopped buying any brand for which they have a complaint in that product category. For example, in the Yogurt category, 66.7% of the brand complaints resulted in consumers ceasing to buy the brand they complained about. Of those who expressed some complaint about "Brand B" 100.0% say they stopped using the brand as a result of their dissatisfaction. Dividing 100.0% by 66.7% yields an index of 149.9.

This index becomes a measure of the relative seriousness of the complaints which consumers have for a brand. If the overall incidence of complaint for a brand is relatively low at this time, but the "index of serious dissatisfaction" is high it could portend serious problems. Moreover, as one learns more about the causes of dissatisfaction with a product, and thereby takes corrective action, it is possible to monitor both the incidence of complaint and the "Index of Serious Dissatisfaction" to determine if the situation is being dealt with effectively.

In this pilot study we have not shown separate results of the complaints or kinds of dissatisfactions received for each brand. The sample size is too small. However, the full CSO sample will be ten times larger than the pilot. Thus, we will be able to provide complete details for a brand as well as for its major competitors.

Moreover, we will report the results in terms of the following categories as well as an overall summary:

- Region
- Family composition
- Age, Income, Education, Occupation