The importance of quality, be it in product or service, cannot be over-emphasized. Just study some of the tips given from time to time to make matters easier for everyone. For instance, Indian Government’s Postal Department, one of the most extensive, popular and efficient in the world issues guidelines such as “PIN Code helps speed up your mail. If the PIN Code in your address is missing or inaccurate, please send us the addressed portion of this wrapper indicating the correct PIN Code. This will enable faster delivery of your mail.” PIN Code in our country is equivalent to ZIP Code in USA.

Quality is the buzzword these days and everybody talks about it, the politicians from public platforms, the company executives from business fora, and of course, the common man on the street. Nevertheless, few understand the true meaning of the word quality and fewer still are able and willing to put quality in its true perspective in the changing context of the liberalization and globalization where the national boundaries for freer trade and commerce are slowly, but surely, breaking down. In the olden times, quality had a simple definition — a product or service should fit the purpose for which it was intended. For example, a part should fit another part without much effort. Thus a standard or specification was all that was necessary for the part to meet, nothing else. So many an industrial designer/manufacturer was concerned with making a product/service to meet its standard or specification. This resulted in making the customer a secondary objective to be satisfied. “Fitness for use” was the predominant concept, to the exclusion of everything else. This went on for quite some-time and consumers did a get a raw deal when confronted with statements like “Our product/service is fit for the
purpose for which it was intended. If that does not satisfy you, tough luck. We can do very little about it,” would be the bland statement. Strangely, often it was the producer/manufacturer who decided such a ‘fitness for the purpose’ to the exclusion of the customer.

Fortunately, we have come a long way by now in understanding the true meaning of quality and customer satisfaction. Consequently, the all-encompassing meaning of the word quality means: “Total and continuous satisfaction” while using a product/service. Such a holistic concept for quality is universally accepted that benefits the customer since he/she is the focus of attention by everyone in the design/manufacturer/sale/distribution chain.

Quality means the product has, preferably, all or most of the undermentioned characteristics as detailed below:

♦ It has the right quality.
♦ Is safe, reliable, and long lasting.
♦ It’s economical to the customer to use it till it lasts.
♦ It’s delivered on time.
♦ Its price is right.
♦ Its customer support is good, polite, quick and responsive.
♦ Its after-sales service is polite and competent with availability of genuine spare-parts and repair cost is affordable.
♦ Disposal of product/service presents no problem and is environmentally friendly.
♦ ‘Buy-back’ schemes of used items for new are user-friendly.
♦ The total life-cycle cost to the customer (the ‘cradle-to-grave’ cost) is optimum.
♦ Conforms to norms of ethics and does not infringe on any trademark or patent laws and is genuine. Its potential for pollution is within acceptable limits.
♦ No unethical practices like underhand dealings, employment of child labour, exploiting the employees/workers are used as business practices.

In brief, stages in the evolution of the concept of quality may be seen as depicted in the chart below:

```
<table>
<thead>
<tr>
<th>Meets Specifications/Standards</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fit for use</td>
</tr>
<tr>
<td>Meets or exceeds total customer satisfaction</td>
</tr>
</tbody>
</table>
```
As stated earlier, quality is the business of doing business. The race is on to capture a bigger slice of the market pie with competition hotting up from domestic as well as foreign business. More and more industries are re-orienting their focus on customers’ needs to make them satisfied and keep them as their loyal customers. Quality is the bandwagon as we are into the 21st century. Customers expect a better deal in the coming years. Quality is thus the enchanted mantra for salvation for both the customers and businesses. It should be clearly understood that quality is an attitude of mind and a way of life where “excellence is a journey, not a destination.”

CUSTOMER AND QUALITY

Quality is what a customer expects in the product/service he/she is buying. If a customer expects ‘excellence’ in everything he/she purchases, then his/her expectations are high. However, this could prove to be elusive to a customer when he actually gets a product/service that he has paid for. For instance, a passenger travelling in an economy class on a flight cannot expect service like a passenger who is travelling in the first class. We should appreciate the fact that a first class passenger has paid two to three times more for the fancy first class and that person has every right to be pampered on the flight. That applies to hotels where a five star hotel guest expects and wants star treatment unlike a budget hotel occupant who is satisfied with basic amenities. A customer who receives something more than he has paid for would be delighted. This is how a brand loyalty is built up where the product/service provider puts in that little extra effort to make the life of a customer better and happier.

A question arises which quality a Mercedes Benz luxury car owner expects. He wants safety, smooth noiseless ride, many features like GPS, luxury fittings like leather upholstery, top class music system and the list is endless. On the other hand, a Maruti 800 car owner has fewer expectations. Yet he too expects some features that would make his drive smooth and with no problems. We have to remember that a Mercedes Benz vehicle costs many times more than a simple Maruti 800 car. So the quality as perceived by a customer depends upon the money he has invested. The higher the investment, the higher is the expectation on quality. If that is not meet, we have a dissatisfied customer on our hands. Though a customer has invested modest money, he still has every right to expect quality as perceived by him. If it falls below what he had expected, he becomes an aggrieved dissatisfied customer looking for a better quality of product/service than what he got from a particular organization.
The relation between quality and price might be seen from Fig. 1.1 below:

![Figure 1.1](image)

In brief:

| Higher price = Higher quality |

When a customer pays a higher price for a service/product, he is paying for not only quality which he can see, feel, or judge, known as ‘tangibles’, but also the ‘intangibles’ such as the ‘esteem’ value. While a standard Maruti 800 car and a Mercedes Benz limousine perform more or less the same function, with some difference in ‘tangibles’, both perform the same function of transporting people, the difference between the two being that the latter has a higher ‘esteem’ value. Another example could be a meal in a modest dhaba costing Rs. 20 whereas a regular meal in a five star hotel, even without drinks, could run up to Rs. 1500 or more. It is not that the food in that starred hotel is superior, though to some extent that is true, but the customer is paying for the ‘intangibles’ such as the exotic food menu, ambience, the music, the air-conditioning, the décor, the fine plates and cutlery, as well as liveried attendants. It is quite possible that a modest dhaba food could be tastier and more like home food than a fine restaurant. However, the rich and the mighty would like to shell out more money to be seen in such splendid hotels and posh restaurants, the rendezvous of the Page 3 people.

Such intangibles affect even ordinary purchases such as cheap art objects, costume, jewellery, dresses, domestic appliances and the like. Here too the higher priced items is supposed to have higher ‘esteem’ value than cheap imitation stuff, though to the eyes of a lay person there may not be much to distinguish between real diamonds and American diamonds. However, for the connoisseur the esteem value and prestige associated with the highly priced real glittering diamonds are important.
Thus, there is a market for such high priced, high esteem valued items that could end up in elite homes where such items are regarded highly. That could also be a matter of ‘keeping up with the Joneses’. Take for example, the VVIP, in whose perception his prestige in the society is enhanced when he travels in a chauffeur driven car, preferably with a flag and a red light on top. He would abhor the idea of driving a small Maruti 800 car, or worse, be dropped by a taxicab.

In brief, quality is seen as:

\[
\text{Quality} = \text{Tangible} + \text{Intangible (esteem) value}
\]

It is interesting to note that a customer attaches various values to the product/service he purchases. These are defined as given below:

- Cost value
- Use value
- Exchange/Resale value
- Esteem value

While some of the above values are easily understood, the intangible factor such as ‘esteem’ value could pose a problem to the uninitiated. However, this factor alone could decide whether some item is worth buying or not by those who value such esteem value, though some might call it ‘snob’ value by those who do not attach any value to such luxury items.

**The role of quality**

The importance of quality in every walk of life cannot be overemphasized in this global economy. Dr. J.M. Juran, an international expert in quality and management put it succinctly: “We live behind the dykes of quality”. It may be recalled Dr. J.M. Juran and Dr. W.E. Deming were responsible for the quality revolution in Japan, which had the pre-war, dubious distinction of a producer of poor quality and shoddy goods. All that changed after Dr. Juran and others taught the Japanese the importance of quality in the goods and services they produced. Dr. Juran’s prediction that one day Japan would surpass the advanced countries like Germany, UK, and USA, in quality has been proved right.

During our daily life we presume so many things: milk is not adulterated, the food we consume does not contain harmful substances, vegetables do not have pesticides and herbicides, the transportation is safe and reliable, we can occupy the seat as indicated in the railway reservation chart and a flight on a particular day and time would take off as scheduled, our money is safe in the banks we trust so much, investment
in a sound mutual fund is not risky but will give attractive returns, the refrigerator which we bought by investing a hefty amount would produce ice and keep the stuff inside cold at all times without consuming too much power or making too much noise.

All these suppositions would go awry if something goes wrong. For example, an unscrupulous trader mixes a dangerous substance in cooking oil that turns deadly and results in serious sickness or death. Air travel is generally safe but a minor pilot error could prove disastrous with the tragic loss of hundreds of passengers. Thus, we have taken quality as being reliable and safe in whatever activity we are involved. Take for example, the gym equipment we exercise. If a minor problem exists unnoticed, then someone sometime is bound to face a serious injury. In these days of technological inventions, supposed to improve the quality of life, quality is given a high degree of importance as one mistake could put an end to that invention in which millions of rupees have been invested. For instance, the new passenger Airbus 380, supposed to carry five hundred and more passengers, has yet to prove its reliability and so its official launch has been delayed by a couple of year. A few product inventions have been hastily introduced, though without wide field trials, while the customers’ feedback forced the manufacturer to recall the products prematurely with consequent financial losses and loss of reputation. There cannot be any short cut to quality despite offer of attractive schemes, low prices and freebies. A responsible and intelligent customer will always choose quality and reliable products as he/she knows the quality of a product/service will endure as long that customer has it, whereas the price paid is forgotten within a short time.

It is wise to be reminded what W.A. Foster stated some years ago:

“Quality is never an accident. It is always the result of high intention, sincere effort, intelligent direction and skilful execution. It represents the wise choice of many alternatives.”

No doubt there are still people who would like to go back to the ‘good old days’—no vehicles but only bullock carts, no telephone, no electricity, and no processed food. They would like, if possible, to turn the clock back. But these diehard ‘conservatives’ have to realize the world is moving towards a technological society. For instance, e-mail has almost replaced the traditional ‘snail mail’. Bank clerks and tellers are being made redundant by increasing use of automatic ATMs, which work 24 hours a day throughout the year. If some people are reluctant or unhappy with the rapid changes, tough luck on them as some of these changes are irreversible. Either you try to catch up with the changes or you would be
isolated and left far behind. However, a point to remember is that any technological change has to be user-friendly, safe and reliable. This is where quality counts. For instance, if a person wants to draw cash from an ATM, all that he needs is his credit/debit card, the password which only he/she knows, the amount to be drawn. If that person wishes to draw Rs. 1000, then he/she should get it without fail. That customer cannot be short-changed due to a glitch in the system. Of course, the customer cannot be given extra cash by machine error either.

**CREED OF EXCELLENCE**

It is the desire to excel that has been the hallmark of many ancient civilizations, including our own. This is nothing but quality at its best. For example, the *gurukul* system of ancient education was practiced by which the learned teachers, the gurus, took a number of pupils under their tutelage who would spend their childhood and youth in the ashram not only learning everything that has to be learnt but become a member of that guru or sage’s family carrying out domestic chores. The students served their master and his wife well for a number of years. To be accepted as a *shisya* (student) in such a system, especially under renowned *acharya* was difficult. The *gurus* (teachers) taught their pupils all that they knew while the students in turn devoted their time and energy not only to learn but also to do everything they could do to serve their master with devotion and dedication. Thus the *gurukul* system was hailed as a model for imparting knowledge and a place to acquire respect for values.

Once the master realized that he had imparted all knowledge that he could, he would tell the pupils, “My sons, you are now ready to leave my *gurukul*. I have no more to teach you. May God be with you in whatever you do. You may pursue higher studies under any master you wish.” In return the *shisyas* (pupils) presented humbly *gurudakshina* (offering) according to their means and there was no compulsion about it. In course of time these *gurukulas* were recognized as centres of excellence. Later on such a practice was followed in the *gharana* system of imparting classical Indian art, dance and music. In such schools, under the patronage of a well-known guru, the tradition specific to that *gharana* was maintained without deviations. However, there was scope for innovation but strictly within the broad structure of that *gharana*. Anyone who dared to violate the time-honoured tradition of that *gharana* was looked upon as a rebel and shunned for his/her deviant behaviour for tinkering with the system that was laid down for generations by revered masters.
To sum up, in ancient India, the creed of excellence was maintained through time-honoured and tested systems:

**Gurukula**

**Gharana**

Great civilizations all over the world have built monuments that have stood the test of time. It is well to remember that, “Excellence is not a skill. It is an attitude.” It is remarkable that those civilizations, with such low technology, could fashion out great structures like the Pyramids, Great Wall of China, and Taj Mahal.

For instance, the Pyramids were built about 3000–5000 years ago but have weathered the intense heat and the dust of the desert storms raging around these for centuries. The Cheops Pyramid at Giza, near Cairo, which is one of the seven wonders of the ancient world was so carefully built during 3000 B.C. with a height of 481 feet 4 inches and the sides of its square base 775 feet 9 inches vary by no more than an inch. A great deal of thinking and planning must have gone into the design of the pyramid and the chief designer must have been a genius. One is awe-struck even to think of the tremendous efforts that must have gone into the planning and execution of the Pyramid. Contrary to what was thought to be cruel employment of slave labour, research indicates that the workers were devoted to their task, were supplied tools, food and drinks and put up in housing colonies near the construction site. They took pride in their
work and wanted to make the final resting place of their Pharaoh memorable so that he can have an easy passage to the next world.

A few countries like France, Germany, Switzerland, UK and USA, have a high reputation for quality. They dominated the global market for a number of years till China, Japan and Korea, and India too in some fields like IT, are posing serious challenge to the dominance of the western countries. Post-war Japan transformed itself to become an International producer of high quality and low cost products and services. It rose like a Phoenix from the ashes of two atomic devices unleashed during the fag end of World War II. Japan became known for its quality of goods like automobiles, cameras, photo-copiers, video-cameras, low cost watches and audio and video electronic goods like two-in-one radio/recorder and TV sets of high definition. Not to be left behind, Asian Tigers like Singapore, South Korea and Taiwan challenged Japan and have now won a slice of the global pie.

Thanks to the WTO regime, national boundaries to free trade are coming down with a result the customers all over the world are able to enjoy world class goods and services at affordable prices, due to competition. Thanks to such liberalization and globalization, Indian customers are now able to have access to quality goods of various International brands within the country on competitive prices. However, there is still some protectionism to safeguard domestic producers, though such artificial safeguards to protect domestic producers will have to go in the long run. In other words, customers are likely to have freer access to quality goods and services as never before. No one needs to bring in any item from overseas, as most of the items would be readily available locally. Long waiting periods and premiums on goods and services are now things of the past when protectionism of a close market reigned.

**ANCIENT INDIANS**

We have in our ancient times, a few fine examples of creed of excellence as could be seen from the above discussions concerning *gurukula* and *gharana* system of learning—generally, a master-pupil dedication spread over a number of years. It should also be noted that our people had gone ahead of the world in several disciplines. Some of them were famous astronomers and astrologers. They calculated the occurrence of solar and lunar eclipses accurately. With an expert knowledge of human body, our ancient doctors like Aryavarta and Susruta had mastered the methods of healing and curing diseases with their mastery over *ayurveda*, an ancient Indian system of
medicine. Ancient sages practiced and taught Yoga, a system of philosophic meditation, controlled breathing and physical postures and exercises to achieve a higher plane of consciousness, which helped them to lead a life free from stress and also to overcome many chronic ailments.

Indian mathematicians were the first to postulate the ‘Zero’ (shuyna) concept, one of the significant contributions to the world of mathematics ever. Other examples of the exquisite examples of construction and paintings seen are: The Rock temple of Ellora, the cave paintings of Ajanta, the Iron pillar near Kutub Minar, the wonderful monument of Taj Mahal, described as a ‘poem in marble’. Some of the structures to store water and lead water to parched lands are good examples of the skills of our ancient people. These structures were not only sturdy but also pleasing lasting hundreds of years; a true testimony to the meaning of quality as demonstrated by the ancients who believed in the creed of excellence.

Unfortunately, such a creed of excellence gave place, slowly, over the years to shoddy and indifferent work in every sphere. The industrial revolution in UK, and Europe in the mid 1700s transformed those countries from agricultural economies to production-based economies by adding value to the finished goods. For instance, cheap cotton from India, Egypt and other countries were imported into U.K., which in turn exported finished textiles at much higher price, due to add-on value, to other countries, thus earning foreign exchange, with high profits in the bargain

\[
\text{Import low cost raw material} \rightarrow \text{Added value for export} \rightarrow \text{High profit}
\]

Another example is India used to export pig iron (even now to some extent) and import high quality steel from Germany, Japan and UK.

Slowly, our craftsmen lost out to finished goods from abroad and their skills deteriorated over the years due to poor patronage.

The colonial rulers stifled local industries in the country they had colonized, including India. They saw to it that their finished goods were accepted in their colonies by charging high costs. Obviously, they brooked no domestic competition, which could hurt their exports. Thus, UK prospered at the expense of their colonies.

**A NEW DAWN**

After Independence, priority was given to setting up several Public Sector Undertakings (PSUs) in core sectors like steel, heavy machinery, heavy electrical, machine tools, electronics, telecommunications, power generation and so on. But over the years, these PSUs diversified into low technology
sectors like bread making. Moreover, the politicians and bureaucrats, with their own vested interests, saw these PSUs as employment generating devices and began to dish out favours to one and all at taxpayers’ expense. Described as the ‘modern temples’ by Jawaharlal Nehru, the architect of the PSUs and India’s great prime minister, the very same PSUs over the years became white elephants with no infusion of funds or technology. Many of them became ‘sick’ and employees had to be offered the Voluntary Retirement Scheme (VRS), euphemistically termed the ‘golden handshake’. Disinvestment is not a pleasant subject with the employees, their unions and the left parties opposing the move to hive off the PSUs, loss-making notwithstanding. It needs great debate and persuasion to make people understand that we cannot go on subsiding a loss-making unit. Privatization, done through a proper and transparent route, is good for the country with adequate checks and balances.

In the earlier days, with little technology upgradation, and no competition, quality was accorded the last priority by both the public sector and the private sector. The customer was taken for granted. He had to wait for years to get an automobile, a two-wheeler or even a telephone connection. When he got what he wanted, there were many glitches, which the manufacturers and the service-providers were least worried about rectifying. ‘Self-reliance’ (Swadeshi) was the mantra, which oiled the industry. While rapid changes in technology, processes and materials were going round us, we blithely ignored all these in a sheltered market insulated from outside influences. High import duties kept many goods away. Moreover, the government refused to allow many goods to be imported, which resulted in rampant smuggling and black-marketing. Local goods and services were shoddy and expensive compared to the imported items.

Our development was based upon the erstwhile USSR’s centralized planning model. That meant strict control from the government from planning to execution and marketing. There was no free hand to anyone within the PSUs to take decisions unless approved by the concerned ministry. The break-up of the USSR was the signal for winds of change to blow in with adoption of alternate models of development. It was under our ex-prime minister P.V. Narasimha Rao that liberalization and globalization took root. Thanks to the dynamic Dr. Manmohan Singh who was the then finance minister, the market was open to competition with liberal licensing for manufacture. A fair degree of customs duty was slashed to allow imports of goods and services. A cautious welcome was given to the foreign companies to open their offices and manufacturing units, often in collaboration with local Indian partners.
Even China has opened its market for foreign direct investment and now ‘Made in China’ label products are flooding the market, including the USA. Liberalization and globalization are yet to be accepted by some politicians and union leaders due to mind-set. This, hopefully, will change for the benefit of the Indian customers who would have plenty of choices for his hard earned money. However, a point that needs to be stressed is that such liberalization and globalization should have a human face with considerations for those who have to be sacked or those who need to be relocated. That’s why the idea that every employer has to see that his employees are employable elsewhere should be stressed. That would make the pain of separation or loss of job less traumatic. 21st century promises greater emphasis on quality with many brands, some of International standards, competing with Indian brands.

The cycle of ups and downs in quality of goods and services in India may be summed up as in Table 1.1 below:

<table>
<thead>
<tr>
<th>Period</th>
<th>Quality Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ancient times</td>
<td>High quality</td>
</tr>
<tr>
<td>Middle ages</td>
<td>Declining quality</td>
</tr>
<tr>
<td>Colonial rule</td>
<td>Poor quality</td>
</tr>
<tr>
<td>Independent India</td>
<td>Poor quality</td>
</tr>
<tr>
<td>Under liberalization from 1991</td>
<td>Upswing in quality</td>
</tr>
</tbody>
</table>

In the past most of the private sector companies did not pay much attention to quality as these were operating in a sheltered market. There was hardly any customer focus in their sales and marketing. “We do not need any advertisement,” boasted a marketing director of a well-known MNC. It was a fact that company had the monopoly in the market and there was hardly any competition. Henry Ford is believed to have stated that a customer can have a car of any colour, as long it was black! That was his offer of a ‘choice’!

However, the situation has changed dramatically over the years where the manufacturers have no option but to bend backwards to please the customer who has a wide choice now. The organizations are now forced to put customer first because without him there is no sale and hence no company. This realization has come out late though a few organizations still have not embraced such a concept wholeheartedly as it has become difficult for them to change their mindset. Long waiting periods are a distant bad dream. Customers earlier could choose one or two brands at the most, if they had a choice that’s! Hoarding, black-marketing, selling at a premium have all but disappeared when it comes to buying consumer durables. It is clear:
A few nations have prided themselves on their culture of excellence. That kind of culture has yet to seep in our business milieu, though we have inherited a rich culture of excellence as discussed in the earlier paragraphs. People do not take pride in what they do. It’s the chalta hai philosophy at work, accepting poor quality and tolerating it when such a poor quality work is offered. Customers rarely complain about poor quality due to sheer laziness, apathy and indifference and stoicism. Another factor is the customers’ fatalistic approach, ‘nothing-ever-happens-even-if-we-complain’ theme.

The ethos of dignity of labour is missing in our country. We believe in getting the most trivial jobs done by others — jobs that can be very well done by ourselves. Helper, mazdoor and class IV employees are found only in our country. On the contrary, in most other countries, each one is expected to do his/her own work without outside help. That includes cleaning and moving papers and files from place to place. With such an attitude and arrangement, delays are inevitable with consequent built-in inefficiency. Just keeping files pending is for a show off to tell others how busy that person is. There is no incentive for efficiency or punishment for lack of it. Thus, a customer wanting his work to be done by others is often at a dead end trying to break such a barrier of inefficiency. It takes Herculean efforts to get even a normal work done, unless some bribe is offered for speeding up even a legitimate routine job. Whether it is the public, semi-public or private sector the concept of being customer-friendly is yet to seep in despite winds of change. Hence a poor quality service means the customer is dissatisfied and would look elsewhere to get better service. In future, quality of service could play a vital role in decision-making as far as the customer’s choice is concerned.

There can be no better way to express the importance of dignity of labour that is taking pride in whatever we do, than to quote the words of John Gardner:

“Good plumbing:
An excellent plumber is infinitely more admirable than an incomplete philosopher. The society, which scorns excellence in plumbing because plumbing is a humble activity and tolerates shoddiness in philosophy because it is an exalted activity, will have neither good plumbing nor good philosophy. Neither its pipes nor its thoughts will hold water.”
LIBERALIZATION AND GLOBALIZATION

With the dawn of the era of liberalization followed by globalization in 1991, there emerged a totally new concept — that competition is good for the economy and is a better way to deliver quality goods and services to the customer more efficiently. We have seen how in the post-1991 period has seen a sea change in the availability of goods and services. Long waiting periods are a thing of the past. Now the consumer has a wide range of choices — for example, he can choose shiny cars in a variety of colours, various capacity engines, shapes, sizes, with additional fittings, with no waiting period. He also has a choice of loans with a small down payment, the rest in easy instalments at low interest rates. There is also an exchange programme to trade in an old car for a brand new one.

New advertisements and marketing strategies are being evolved to woo customers. For instance, ‘scratch and win a car’ or a ‘free ticket to Singapore’ and so on. There are offers of attractive prizes including overseas trips for one or two persons after buying a car and if lucky to win a prize in a draw held at random. Gifts and freebies are offered if one chooses to buy a car during festival seasons when the manufacturers would like to increase their sales. Other consumer durables, ‘white goods’ are also offered for sales, of international brands at competitive rates by promising gifts, freebies, lottery et al. It is now possible to buy most of the foreign label goods within the country without having to step out of it, such is the choice before a consumer of today. Even there is an incentive for subscription to some of the popular journals and magazines by offer of prizes and free gifts with a chance to win a mega prize like a car in a lottery.

The present-day consumer had never had it so good. He is often confused about the choice that he has to make. He has come a long way from the problem of scarcity and no choice. Obviously, some of these consumers have a problem with a plethora of choices. “Market-driven quality starts with making customer satisfaction an obsession and empowering people to use their creative energy to satisfy and delight customers,” so stated John F. Akers, Chairman and CEO, IBM some years ago. Companies will be forced to focus on quality, which will be dictated by the likes and dislikes of consumers. The strategy for companies in such a business milieu is to try to understand customers’ perception of quality, monitor it regularly, measure it and use the data for enhancement of performance to retain the competitive edge over others. Thus, customer focus is the new strategy for the success of a business.
POOR CULTURE OF SERVICE

While there is good news on the number of products offered for sale, where there is plenty of choice, the service sector has yet to absorb the culture of service, which is needed to make customers happy and delighted. Unfortunately, the customer is not always right as far as a dealer/serviceperson is concerned. ‘Customer is King’, ‘Customer Focus’, and ‘Customer-friendly’ are mere slogans left behind in the management/business school. Hardly any service organization is putting into practice what it has learnt. On the other hand, such slogans are just part of overused corporate parlance. Every time one encounters pathetic demonstrations of these values, more from the private sector, one has reason to conclude that these are terms just to lure the customers. Some instances where the private sector fares badly:

1. A private sector ATM is not working and the other machine runs out of cash.
2. Set-up box on the TV malfunctioning.
3. Cable operation faulty.

It takes a long time to get the complaints redressed and that too after follow up.

Surprisingly, the public sector is becoming more responsive and accountable like never before. They have realized that if they were not responsive they would lose business and may have to be shut down. Thus, the employees of such organizations are realizing with all seriousness that unless they try to make peace with their customers there is a good chance of losing business to the private sector. Such a healthy change in outlook is welcome. For instance, the time taken to attend to complaints has been much reduced. In India we have transitioned from an era of face-to-face communication to faceless communication and in this bargain have lost the meaning of customer service. Call centres are welcome but they are too impersonal and it takes a long time before we can communicate with a human operator. Most of the time it’s frustrating to be put ‘on hold’ listening to some music.

It is clear we need a proactive ombudsman for each organization whose main function would be look into complaint redress mechanism and see that matters are speeded up. It may appear simple that when companies have more than a million customers, losing one does not matter. But then again, there is something called ‘word-of-mouth’ publicity. And if you were not careful, that negative word would will soon spread to all the million. Dealers take on an entirely different stance from their usual
courteous self when the product they have sold to you shows a defect after sales. Even if the product is within the warranty period, they shift the onus of repair or replacement onto the manufacturer, who may be a company in some other part of the country or world. However, the fact remains that in several consumer court decisions, it has been made amply clear that both the dealer and the manufacturer are jointly and severally liable in case of a problem.

There is a ray of hope for the harassed Indian consumers. Politicians have slowly realized that the voter, the common man, is voting as per his judgment whether a particular government is responsive to his needs or not. He is no longer fooled by tall promises or inducements like cash, sari, cloth, freebies, liquor on the eve of elections. The common man, thanks to the information revolution spawned by satellite TV channels, e-mail, magazines and newspapers, is increasingly becoming aware of his duties and responsibilities. He has access to information that is often instantaneous and knows what is happening in some corner of the world. He is definitely influenced by global trends while keeping his feet firmly on the local soil. So manufacturers/producers/retailers are beginning to realize that customers can longer be taken for granted despite inducements and low prices. He wants value for his hard earned money. The more value he gets for his money the better. Thanks to the availability of foreign goods/services, he has set his benchmark on international standards which he expects at domestic prices. However, he has a problem while choosing a particular TV channel to view inspite of showing popular soaps. Though each channel touts its own popularity rating, he has no independent authority like the ‘Nielsen’ in the USA for a TV show guide. This is expected to change in the future, if the government takes interest in setting up such an independent TV channel viewership rating authority.

COMPETITION

Everyone is realizing, barring diehard manufacturers who have yet to change their mindset, that competition is good for everyone, customer as well as producer. This means the production is cost-effective and benefits the producer as well as customer with better quality and that too with quicker delivery. Survival of the fittest is becoming truer and truer. Just look at the open sky policy of the government that has opened the sky to competition. A number of airlines in the private sector are giving a run for the money for the nationalized carrier Indian and Air India, which is now forced to upgrade its service to survive the challenge of the many private carriers. However,
‘survival of the fittest’, the law of the jungle, is true even in the business world and there will be consolidation to stay competitive.

Sometimes a customer is enticed with half prices, and ‘take one and the other free’ type of offers which are hard to resist. In the end, it is possible that the customer is led up the garden path and would regret his decision to go in for a certain product or service which he could do without. It is possible that at the first glance, an offer might look very attractive but it could also prove in the long run to be ‘too good to be true’. Deals which claim: ‘Export rejects’, ‘seconds’, ‘half prices’, ‘every day low prices’, ‘lottery’, ‘freebies’, ‘no interest or no deposit’ need to be examined carefully and not fall into a trap unwittingly by the spur of the moment decision which one might regret later on.

It is possible for a customer in certain instances that he could be the judge to decide the quality of a product/service. At other times, the product features could be too complicated for the uninitiated to make a considered judgment about the product. In such cases, the customer would refer to the catalogue, ask friends and relatives about their experiences vis-à-vis a product and its performance. The ‘word-of-mouth’ publicity, both good and bad, plays an important role in decision-making. Another factor is the brand loyalty. You tend to purchase products from the same company (brand) unless you have come across something else, which is equally good. While it takes several good measures to get the seal of approval of a customer, one bad experience can ruin the brand name forever. And it is a difficult job regaining that trust and confidence.

The trend of multiple choices will continue and the regime of liberalization and globalization cannot be reversed as the customers are used to it by now. They know it is good for them as well as the nation. However, a problem faced by customers is the lack of reliable ratings for products/services though a few consumer organizations like the consumer voice are trying to fill the gap. That is the problem in a situation of multiple choices compared to zero choice of the past.
MEANINGFUL CHOICE

The 21st century has been a bonanza for Indian consumers who never had it so good with a bewildering array of choices — domestic as well as International brands. With the W.T.O. regime in place, we can expect more tariff barriers and protectionism to come down for the benefit of the consumers all over the world. We have no escape from such a situation. Some Indian companies still work with a mindset to the ‘bad old days’ of protectionism. However, the point that everyone should get a level playing field is well taken. They have to realize that the consumers have a choice and they have no alternative but to keep pace with the global trends of improved quality. The list of items that could be imported, with reasonable import duties, is getting longer. The Indian consumers have now a taste of American, Australian and Chinese apples besides our own. We can now get Kiwi fruit imported from New Zealand. We have a choice of fruit juices from Australia, VCRs from Japan, Tea from Sri Lanka, preserves from Thailand and so on. That the prices of some of these items are too high and beyond the reach of most Indians is a different point to consider. Over the course of years, these prices are going to come down and become competitive to local produce. No doubt, this is an opportunity for our own producers to go global and be competitive to earn valuable foreign exchange. For instance, go to any stores in the USA and you will find most of the items are imported.

The book is an attempt to provide information and the tools needed for consumers before they make the buying decision. One can easily be confused by the proliferation of goods and services all looking more or less the same, with the same attractive features nicely packaged and competitively priced. A word of caution is advisable when the market is full of aggressive sellers each trying to improve their sales and thus their bottom line. In principle the consumer should buy a product that is needed by him and not because someone else wants to force him to buy because of freebies and low prices. With a little caution, he can avoid the pitfalls of misleading advertisements by seeing the fine print and asking searching questions to make matters clear. ‘Do not presume anything,’ is a good piece of advice. Often, though the price of a particular brand is higher, in the longer this could prove economical by way of ‘life cycle costs’, which could be cheaper ultimately. Another factor is the quality of service in the neighbourhood. If you have to send the product, when needed for service/repair, to a distant city by spending your money, then it is better to look for an alternate product where the service facilities are available in the same town or nearby. Do not be fooled by price tags such as Rs. 99, 499,
1999, 14,999 that are more to convince the gullible consumer that the price appears less than what the eye meets!

A factor that should be borne by present day consumers is the need to be technically savvy. There is no reason to fear adapting to latest techniques. For instance, 24-hour banking through an ATM card is almost becoming commonplace in our country. This is convenient, which avoids the hassles of going to a bank at certain hours only to draw cash. However, it is in the customers’ interest that they keep a regular tab on the transactions, by way of either on-line or through pass books that are updated regularly. Another example that could be cited is the purchase/sale of stocks and shares. Trading in shares earlier was easy—go to a stockbroker with your paper share certificate and get cash soon or after some time. Now most companies insist on demat account, which is an electronic method of keeping a registry of stocks and shares. It would be advisable to convert all paper shares and stocks to demat format to avoid problems of trading, if and when needed. For sheer convenience, there is nothing like the ECS scheme which is ‘Electronic Clearing Scheme’ to settle bills for water, electricity, telephone bills and so on. However, as a matter of caution, check if the transactions from month to month are in order. It is better to note: Computers do not make mistakes but human beings do. Thus, regular updating of your pass book or transactions via on-line or by the bank would be good to prevent surprises. Those who had earlier apprehensions about introduction of computers and related change in methods are now clamouring for more such changes that are beneficial to consumers.

TECHNOLOGY ADVANCES

As technology develops more, the consumers are likely to face a barrage of new features, which appear to them bewildering and bordering on sci-fi stuff. No doubt some of these are improvements while the others are new inventions to make products/services of better quality with newer add-on features. An ordinary consumer is likely to be confused with jargon like: ‘Quadra’, ‘Dolby’, ‘Kirara Basso’, ‘Bazooka’, ‘Golden Eye’, ‘Demat’, ‘ECS’ which might sound like Greek and Latin to him. Unfortunately, he has no option but become knowledgeable if he has to make a meaningful decision about buying a product with so many features.

At the present rate of technology advance, we are likely to hear and more and more of newer technologies like ‘Nano-technology’. Another problem a customer is likely to face is the unscrupulous dealers/sales
persons who want to palm off an inferior product claiming, by using high flown jargon, that particular product is better than a standard one. He might even persuade a customer that it is brand new technology and so sure to be better than a standard brand. It is likely that dealer/salesperson is getting a better discount by selling that not-so-great product to gullible customers. He might offer a discount to make the offer even more attractive since he has a better margin of profit. Such tactics are not ethical but what can we do if there are greedy and not so ethical persons who want to make a fast buck at the expense of someone else.

The availability of many brands of products/services might be outpacing the culture of customer service. There is more incentive to sell than redress customer complaints, which are ‘non-productive’. The customer is likely to face a stonewall when it comes to repair/replace/ refund a defective product. The customer unfriendly motto of today, despite winds of change: “Goods once sold cannot be returned, replaced, exchanged or refunded.” Despite competition, manufacturers/dealers/salespersons are behaving the same old way and there is hardly any difference between one company and another. Effectively, it means there is no competition when it comes to after sales service. However, this might change if the customers start demanding their rights aggressively instead of being apathetic to problems or being stoic about a defect. That culture of ‘will do’, ‘what can we do?’ should be abolished, the sooner the better.

Being aware about customer’s right is one thing and getting redress is another matter. One might have to run from pillar to post to get quick redress. A responsible customer will not take ‘no’ for an answer from anyone. He would fight for his rights with conviction but without anger or rancour. It is a comforting thought that an aggrieved customer can get redress from a Consumer Court, which will be discussed in the forthcoming chapters. However, self-help is still the best help as this gets a complaint redressed faster. Moreover, one has the satisfaction of getting something done on one’s own efforts. It would be necessary, in view of advances in various fields, that a customer keeps in touch with these developments that would give him the necessary wherewithal to fight his own consumer battles, when needed. That would also give him that edge to get value for his purchase.

‘Shopping’ for a good deal is common in USA. The Internet is a powerful tool where one can search the websites of various manufacturers as well as service providers. For instance, if a person wants to fly from one place to another, he would check up competing airlines and choose
the one that is cheapest and at the same time reliable. That applies to booking a hotel room in a distant place where it is possible to check the rates, the location, the various facilities and so on. All that would be necessary then would be pay by a credit card to hold the reservation or settle in full the amount due. Most of the service sectors, including banks, insurance, hospitality industry, entertainment centres like theme parks, theatres and cinemas have the facility to check the availability of tickets and book the same on the Internet. Now facilities in hospitals and educational institutions too could be surfed without going all the way to find out details.

It is not far-off before we too could make use of the Internet more effectively that would save time, energy and costs. Personal Computers (PCs) and laptop computers are becoming a feature in most middle class homes. Moreover, Internet cafes are mushrooming that could access any website one likes for a charge per hour. In our business milieu, already a few companies have started their own websites to provide all the information needed for a customer to take a meaningful decision. Indian Railways, most airlines, big manufacturers and service providers are all geared up to meet the challenges of the Internet and provide customer-friendly service to satisfy customers. They have realized that the best and easy way is to reach the customer is through the Internet so that the customer can take a decision by a simple click of the mouse. In fact, by eliminating the reservation/booking staff and related infrastructure, companies are saving cost, some of which is passed on to consumers.

Tele-shopping, tele-marketing, and tele-banking are all catching up. Tele-conferencing is another feature that is getting more attention as it has several advantages. E-commerce has made a good beginning with Internet proving to be a useful tool for delivering information to millions of consumers instantly and cheaply. The 21st century will be the era of dot.coms and websites where information is there for the asking without having to pay for it, at least not at present. IT revolution is becoming customer-friendly by giving the customer a meaningful tool for better decision-making.