CHAPTER - 1
INTRODUCTION

Consumerism is an organised movement of citizens and Government to enhance the rights and powers of buyers in relation to sellers (Kotler, 1988). More specifically, the term indicates an organised effort by individuals, public and private agencies and some business houses to protect consumers from malpractices in the market place. About a century ago consumers had little need for help in protecting themselves. They bought a limited number of relatively simple products from local traders which they knew well. With the development of modern technology and the given nature of the market place, complicated consumer problems have arisen out of the complexity of the products/services. In the past, it was possible to examine and judge most of the products before purchase, since many products were sold in bulk and unpacked. Usually those could be evaluated easily on the basis of their performance.

The complexity of today's products and frequent changes in product design have made them more susceptible to wrong handling and use. The result may be unsatisfactory performance or in more serious cases, health and safety hazards. The consumer is exposed to many hazards -physical, environmental and exploitation due to unfair trade practices. He needs protection against products which are unsafe for consumption, such as drugs and adulterated food items and products which may cause injury such as defective appliances. He needs protection against malpractice and deceit by sellers. He should be protected against environmental pollution of air, water and noise. The consumer also needs protection against misleading or untrue information through advertisement (Bawa, 1990).

Poor performance by a number of products and services over a period of years has resulted in a consumer movement popularly known as
consumerism. It is basically a social movement seeking to augment the rights and powers of the buyers in relation to the sellers (Drucker, 1972). It is also defined as the organised efforts of the consumers seeking redress, restitution and remedy for dissatisfaction they have accumulated in the acquisition of their standard of living (Buskirk, 1970).

There has been a sweeping change in the attitude of the public towards the responsibility of business in developed countries. As a result, it is increasingly felt that the rule governing sale transaction is no more caveat emptor (Let the buyer beware). Instead, the days of caveat venditor (Let the seller beware) are there to prevail.

In sharp contrast to developed countries, consumerism in India is still in its infancy. Majority of its population is illiterate, ignorant, ill-informed and uneducated. Organisation of the consumers in a vast country like India is a different proposition. The linguistic, cultural, and religious differences of the people make the problem still more intricate. Moreover, the economic backwardness of the consumers are frequently subjected to exploitation by trade and industry.

Above all, the non-existent consumer unity in India provides an upper-hand to the unscrupulous traders and manufacturers to fleece the poor and helpless consumer. It was only in the recent past, the consumer movement has evolved as a force in the Indian market. With this backdrop, the present study examines the consumer movement in India and the Government regulations to protect the interest of the consumers.

1.1 OBJECTIVES OF THE STUDY

The specific objectives of the present study are

i) To give a brief profile of Indian consumer

ii) To examine the origin and development of consumer movement in India as well as in Orissa

iii) To give an overview of the various Government regulations relating to consumer protection,
vi) To critically evaluate the working of Consumer Protection Act, 1986,
v) To study the awareness and attitude of consumers towards various marketing practices, consumerism and Government regulations,
vi) To study the role of voluntary consumer organisations in creating consumer awareness, and
vii) To recommend strategic interventions to help and promote consumer movement in Orissa,

1.2 HYPOTHESES

Keeping in view the above objectives, the present research endeavours to test the following hypotheses.
i) Urban consumers are more aware regarding their rights than their rural counterparts.
ii) The voluntary organisations do a commendable job in promoting awareness among consumers about their rights.
iii) The urban and rural consumers in general suspect the dealers in respect to their advertisements, pricing, packaging and weighment practices.
iv) The consumer movement is gaining momentum both in rural as well as urban areas.

1.3 RATIONALE OF THE STUDY

The present study is concerned with an examination of the important dimensions of consumer movement in Orissa such as its origin and growth, the role of voluntary organisations in promoting awareness among the consumers about their rights. The perceptions and attitudes of the consumers towards the manufacturers and their working practices have been analysed. Thus, study aims at arriving at concrete conclusions on these and to suggest strategic interventions for an integrated and steady growth of consumer movement in a developing state like Orissa. These are expected to provide a reasonable quantum of fuel for thinking and rethinking as to how best the movement can be spearheaded. Even some of the findings are expected to go a long way to guide the consumer activists, planners, policy makers and administrators. Furthermore, these are likely to hold good in other regions of the country.
1.4 RESEARCH DESIGN

1.4.1. Sources of Data

The present study is mainly based on the primary data collected through structured questionnaires. Two surveys have been conducted: one among the rural and urban consumers; the other among the voluntary organisations involved in spearheading the consumer movement.

The population for the first sample study consists of all consumers in urban and rural areas in the state of Orissa. The sample has been obtained by following stratified random sampling technique so that the urban-rural contrast affecting the consumer movement can be analysed. The sample has been collected from the consumers of every stratum of life, viz., professionals, government servants, businessmen, lawyers, doctors, students, housewives and agriculturists. The survey was conducted personally from 3rd. March 2002 to 27th. August 2002.

The population for the second sample survey consists of voluntary organisations operating in the state of Orissa. The data collected from the secondary sources have also been used in this study.

1.4.2 Sample Size and Sampling

A sample of 350 consumers was selected out of which 220 consumers were from urban areas and 130 consumers from rural areas. The respondents from urban areas were selected from four major towns of Orissa, viz. Bhubaneswar, Cuttack, Rourkela and Berhampur. The respondents from rural areas were selected from Puri, Dhenkanal, Nayagarh and Jagatsinghpur districts. Thus, while selecting the respondents, care was taken to select the respondents from various parts of Orissa to make the sample more representative.
Out of 220 questionnaires in urban areas, 150 questionnaires were found to be complete in all respects and were taken into consideration for the purpose of analysis. Similarly, in rural areas, 75 questionnaires were found to be complete in all respects which were taken for the purpose of tabulation and analysis.

A sample of 75 voluntary organisations was selected for the study out of which 60 organisations responded and returned the completed questionnaire after the number of reminders.

1.4.3 Techniques Used for Data Analysis

The responses collected from consumers and voluntary organisations have been edited and tabulated. Simple statistical techniques like mean, standard deviation have been used for the purpose of analysis of data. Percentages have been widely used for the analysis of data. 't' test was used to judge the difference between the values of two variables. Responses to open-ended questions have not been treated with inferential statistics.

1.5 SURVEY OF PAST RESEARCH

A number of research studies have been undertaken on consumerism and consumer movement in different countries. Most of the studies are general in nature involving customer satisfaction or dissatisfaction.

In a study on the consumer movement in India, it is observed that many middle class and wealthy Indians view consumerism with indifference (Sunderam, 1986). It is also observed that awakening Indian consumer is not easy. However, on the positive side, the study reveals that there are growing incidence of cases being filed by consumer advocacy groups challenging certain questionable advertising and sales promotion campaigns for major companies. The researcher also observed that India lacks a strong and well-organised consumer movement. Indian consumer has been suffering silently and is at the receiving end.
After the introduction of The Consumer Protection Act., 1986, it is observed that the awareness level of the consumers regarding their rights has increased. Many consumers are increasingly aware of their rights and have been seeking redressal of their grievances under the provisions of the Act. (Sengupta, 1989) Although the Act provides for resolution of complaints within 90 days, consumers are reported to be experiencing inordinate delays before their cases are decided. Sarkar in his study of problems of consumers in modern India observes that the problems of consumers are mounting up and they need protection against such problems (Sarkar, 1989).

**Bharadwaj, Thirunarayana and Varadarajan** highlighted the need for public policy makers and business organisations to be aware, sensitive and responsive to consumer attitudes towards the marketing practices of firms and consumerism related issues (Bharadwaj, Thirunarayana & Varadarajan (1991). They also concluded that scrutiny of the marketing practices of firms in general, and advertising practices in particular by governmental bodies, the media, public interest groups, and others is inevitable as well as desirable from the standpoint of larger societal welfare. They also emphasized the need for periodic surveys of consumers’ attitudes towards marketing practices.

The average consumer in India is confronted with a large number of problems (Sethi and Seetharaman, 1994). They further observed that though the consumer movement has started taking momentum, it is however, limited to consumers from high income groups and is largely confined to metropolitan cities. Sporadic efforts are being made to educate the consumers to fight for their rights.

**Pandit** in his survey of consumers in Delhi observed that the consumers reported a remarkably high degree of satisfaction even though the Indian marketplace is flooded with spurious, sub-standard and defective goods. The researcher attributes this high level of satisfaction to low expectations rather than high level of product performance (Pandit, 1992).
Sriram and Srividya suggested to provide substantial help to consumer groups in making the message of consumer rights and apt legislations percolate down to each individual consumer. They also observed that almost all consumer protection organisations in India suffer from chronic deficiency of financial resources, apart from being geographically concentrated in few states (Sriram and Srividya, 1993).

Pai observed that the consumer movement is steadily gathering momentum in India,. This is the result of many consumer activists. He concludes with a note of optimism saying, the corporate sector has responded positively to the emerging consumer movement (Pai, 1995).

Rout, Panigrahi and Nabi in their exploratory survey on awareness of consumerism have made an empirical study among 100 consumers and concluded that consumerism is unlikely to disappear entirely in any business marketing activities and inadequacy of legislative measures whether needed or not.

H.D. Sourie, has expressed the sad state of affairs with regard to an important piece of legislation which started very well and is now languishing in effective implementation. He has further pointed out that almost 8 lakh cases have been filed in consumer courts which testify to the consumer awareness.

Chandra, J.P. attempted to create better understanding between merchants and consumers. He puts across the disappointment and frustrations of the dissatisfied consumers. He supported media to help the consumer movement by providing coverage and reproducing grievances of the consumers.
1.6 ORGANISATION OF THE STUDY

The present study is organised into eight chapters. The first chapter introduces the topic of research and outlines the objectives, hypotheses, rationale, research design and limitations of the study. A review of literature also forms a part of this chapter. The second chapter presents a profile of Indian consumer. The third chapter examines in brief, the origin and development of consumer movement. The fourth chapter gives an overview of various Government regulations on consumer protection. The fifth chapter critically examines the Consumer Protection Act, 1986. The sixth and seventh chapters are based on primary data collected through questionnaire survey. The consumers' attitude towards marketing practices, consumerism and Government regulations have been presented in the sixth Chapter. The seventh chapter presents a picture on the role of voluntary organisations in promoting consumer welfare. The last chapter summarises the findings and the observations. And suggestions have been recommended for promotion of consumer movement in Orissa.

1.7 LIMITATIONS

The present work cannot be claimed to be an unmixed blessing. It suffers from a few limitations.

★ The sample size is small and hence, suffers from the limitation of small sample.

★ The area of coverage for urban and rural are limited to particular cities and localities.

★ Time and resource constraints have limited the scope of the study.

Despite these limitations, the study is expected to throw adequate light on the consumer movement in Orissa and some of the findings and suggestions are expected to be useful for the planners, policy makers and consumer activists.
REFERENCES


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Sunderam, Satya Consumer Protection in India, B.R. Publishing Corporation, Delhi, 1985, p.1
