CHAPTER I

CONSUMERISM: A GROWING CONCEPT

1.1 INTRODUCTION

Consumerism is as old as man, who did not know how to produce, but was endowed with plenty by Mother Nature to discover, use and consume. So the ancient consumers moved from place to place to hunt for food. Gradually they grew food, settled at one place lived in groups and involved in interactions which resulted in sharing of responsibilities with others and exchange of services. But the most subtle and indispensable interaction between two entities, if one may think of minutely keeping in view the commercialization of every sphere of life, is the interaction between the seller and the buyer, the giver and the recipient, the skilled ones and the beneficiaries - the trader and the Consumer. Today man has evolved into a seasoned producer and consumer of a large and variety of goods and services. With this, the concept of consumer who may be described as a person buying a product or obtaining services from the market for his own use or consumption came into existence. The latter half of the twentieth century has witnessed the market overflown with the products of intricate technology. Apart from the variety of products of there have been dramatic changes in the supply of services and ideas too. The communication networks have multiplied. Distribution channels have become efficient and quick. The technological development has brought in its wake a number of effects which have completely changed the face of market and the consumer environment.

1.2 CONSUMER EXPLOITATION

Most of the consumers - whether rich or poor, literate or illiterate, urban or rural - often become the victims of adulterated, spurious, hazardous and substandard goods as well as wrong measurements and high prices. Consumer remains the most neglected and
is subjected to exploitation more often than not. Producers try to satisfy commercially profitable consumer desires but they rarely show any keenness in satisfying consumer interests. Under this situation it is quite difficult for an individual consumer to have patience and time to examine each of the available alternatives. The emergence of the corporate class has further widened the gap between the producers and the consumers. Though the product is being made available more efficiently yet the market is not devoid of fraudulent practices. The consumer is the forgotten man. He is the least organised and the most centrifugal element in the circle of investment, production, sale and consumption and is generally taken for granted as one who has anyhow to buy in order to live (Gulshan, S.S, 1994). Consumers are suffering loss or injury as an inevitable consequence of the mad race for quick profits by trade and industry which is quite unethical and unfair. The result is that today’s relationship between the consumer on the one hand and trade and industry on the other is an inequitable and unjust balance that has acquired an exploitative character against the consumer (Khanna, S.R, 1985).

In 1930’s, alert consumers were challenged to identify acceptable product quality as the basis for their purchase decision. Product quality varied widely, and distribution alternatives were limited (Casky M. L. et al, 1995). Today’s shoppers face a vastly different shopping environment. Quality variability with many product categories has decreased (Grunewald et al, 1993; Hjorth – Andersen, 1991), but the number of product, service and store choice decisions has steadily increased (Schor 1992). Consumers in India are diverse in composition, varying in religion, caste, language, habits and rituals. About 70% of population live in villages and are largely poor, illiterate, ignorant, and apathetic, and therefore remain at the receiving end. Consumers world over particularly in less developed countries suffer from the malpractices and humiliation in the market place. In India prior to liberalisation of the economy it was the absence of competition and the sellers’ market status of business that passed on the inefficiencies of the business to the poor consumer. Business policies were formulated with complete lack of concern of consumer interest. These malpractices of business were manifested in poor quality, high prices, deficient services, adulterated and hazardous goods, misleading advertising etc. Even after the decade old liberalization drive, it is the corrupt practices of business and the persuasive powers of unethical and emotional advertising that lures even the
educated consumers to buy unwanted and unnecessary goods. The problem is further compounded by the bait and switch sales of aggressive salesmen. Therefore business firms need to change their attitude towards consumers in order to survive in the competitive environment across the world.

The economic marketplace is rapidly growing and with the entry of Multi National Corporations (MNCs) it is becoming more complex. The advent of Information Technology, government deregulation and growing competition are the major contributors of this growing market complexity. The business strategies like mergers, acquisitions and joint ventures in the recent years have further compounded the complexity of marketplace. This has directly affected consumers by offering wider range of products and services. However this has been so far mainly in the consumer goods sector. What this means for business is increased competition, which in turn creates greater choice for consumers. Such complex economic marketplace is of course having disadvantages as well. While marketplace diversity and innovation create choices and opportunities for consumers, the marketplace also creates confusion for consumers and breeds deceptive practices in businesses (Garman et al; 1995). Unfortunately all types of social systems dominating the world be it Capitalism or Socialism or communism, have not been able to eliminate the consumer exploitation (Verma, Y.S. & Sharma, C; 1994).

With advertisement and other technologies racing far ahead of literacy, the consumer is faced with an array of products. He has plenty to choose from but is unable to make proper choices and has been pressed hard to base his consumption function on rationality criterion. The gap between the producers and consumers has further widened with the emergence of corporate sector. It has made marketing a professional activity and impersonal in the sense that the consumer and the producer are situated at a distance. Certainly each one of us as a consumer has experienced the cumulative frustration associated with products that do not conform to expectations. The sense of frustration and bitterness on the part of consumers may properly be called the driving force behind consumerism. Apart from the existence of frustration among consumers, the consumer movement can grow with the strong visionary leadership and the development of organizations for attaining the goals of this movement. Fortunately there seems a gradual
change in the consumer scenario with the governments paying more attention on the
plight of consumers (Sethi, M., 1994). This is apparent from the actions taken through the
enactment of the Consumer Protection Act, which provides a mechanism for redressal of
customer grievances/complaints in the country. However to make best use of this stance,
customers will need to make up their minds to help the government in its concern about
them, involve voluntary organizations and work hand in hand to help themselves.

Unfortunately all types of social system dominating the world have not been able
to eliminate consumer exploitation. Capitalism created a materially minded greedy man
who is never satiated. Aggressive communism created a violent frustrated man, ever
jealous and envious. Socialism created anarchist, characterless, without personality
consumer. None of them viewed man in his entirely with respect to his psychological,
spiritual, needs besides his economic needs (Verma, Y.S., & Sharma, C., 1994). They were
concerned with his economic needs, which in isolation has created distorted picture of
man and thus the theories propounded on his distorted premises have proved fallacious.
Consequently this has resulted in more suffering (Joshi, B.M., 1985). Exploitation reduces
real income and misallocates resources by way of frauds, shoddy merchandise and
deceptions or bilking scheme and more so inflicts violence on consumers by way of
hazardous products, unprovided services or environmental pollutants (Nader, R., 1974).

1.3 CONSUMER PROTECTION

Consumer protection is basically an attempt by the government, to protect its
consumers - citizens through legislation which are aimed at regulating the activities of
business organizations and the exchange relationships between buyers and sellers. The
unethical activities and the malpractices of the business have eroded the faith of
consumers in an efficient market economy. This has resulted in the growth of neutral
organisations and public interest groups to protect the consumer interests. Persistent
infringement of consumer rights led them (consumers) to defend their interests and as a
result thereof unscrupulous business firms became the target of these interest groups
(Kotler, P., 1976). Consumer Protection has a greater relevance today in view of
increased malpractices at the marketplace such as deceptive advertising, hazardous and
unsafe products, poor service etc. Therefore the case for effective consumer protection is
Consumerism

indisputable. However all this happens despite the volumes of legislation and various government agencies specifically meant for consumer protection. The business need not only to produce quality goods at the lowest cost but produce what the consumer really need as he is the building block of the business. He not only determines the income of the business but also has an impact on its success and survival. This calls for the business to pursue policies for consumer satisfaction and the government to vigorously implement the laws for consumer protection against restrictive and unfair trade practices.

As a developing country, India’s biggest problem is that of perennial shortage of essential commodities, rising prices, deceptive advertising, spurious and hazardous goods etc. Moreso there seems ignorance of the consumer of his rights. The Government even after the independence has been far more active in enacting legislations to safeguard the interests of small and large-scale business. It was consumer pressure, which compelled the Government to enact laws and assume other roles for protecting the consumers. The government over the years has armed itself with many acts and issued statutory orders and notifications for ensuring fair prices, equitable supplies, and quality control of different products and services. There are today more than 30 central Acts which govern trading operations. The Indian Constitution includes different provisions in case of violation of consumer rights (Article 226 & 32).

There are number of legislations such as Indian Contract Act, 1872; Sale of Goods Act, 1930; Agricultural Produce (Grading and Marking) Act, 1937; Drugs and Cosmetics Act, 1940; Drugs Control Act, 1950; Prevention of Food Adulteration Act, 1954; Essential Commodities Act, 1955; Essential Service Maintenance Act, 1968; Bureau of Indian Standards Act, 1968; Monopolies and restrictive Trade Practices Act, 1969; Standards of Weights and Measures Act, 1976; Prevention of Black Marketing and Maintenance of supplies of Essential Commodities Act, 1980 etc - that have been enacted in the field of consumer protection relating to standardization, grading, packaging and branding, prevention of food adulteration, short weights and measures, profiteering etc. But all these are scattered pieces of legislations. Most of these legislations have not succeeded in fulfilling their avowed objectives and not many offenders have been brought to book under their provisions. There is a gap between the intent of law and its
implementation. Moreover these laws and regulations have made our economy over-regulated and helped to perpetuate the evils they were intended to curb by hampering production and making corruption all pervasive under the prevailing legal environment. The working of various enactments has also led room for loose interpretation. The litigations under these legislations are disproportionately costly and the procedure is troublesome to the small consumer. Thus the impact of these legislations in protecting the consumers has been relatively small.

The new provisions and amendments in the various acts were brought in the last four decades. Despite these new provisions, the ultimate consumer could not be protected fairly against unfair trade practices. The Government, therefore passed a potentially strong and important legislation i.e. Consumer Protection Act, (CPA), 1986, to provide better protection to the interests of the consumer. The Act envisages the formation of the Consumer Protection Councils at the central and State level. The Consumer Protection Act provides a three-tier quasi-judicial machinery at the National, State and District levels for redressing consumer grievances more quickly, avoids any procedural delays and awards adequate compensation to the aggrieved party. It is significant to note that the Consumer Protection Act recognizes the role of the voluntary consumer organization in assisting the consumer for redressing their grievance. Also the Consumer Protection Act applies to all goods and services in private, public or the cooperate sector and does not necessarily require a pleader or legal expert. However it also suffers from certain limitations in relation to enforcement coverage of certain areas / sectors e.g. public utility services.

In India Consumer Protection Act of 1986, is credited with raising the general level of awareness among consumers of their rights. Sen-Gupta (1989) reports that many consumers are increasingly aware of their rights and have been seeking redress of their grievances under the provisions of the Act. Moreover in the absence of any concerted study in Indian context, the issues remain unexplored. The consumer rights which are provided in Consumer Protection Act of 1986 are as follows:
Consumerism

a) *The right to safety* means the right to be protected against products, production processes and services which are hazardous to health or life. It includes a concern for the consumer’s long-term interests as well as their immediate requirements.

b) *The right to be informed* means the right to be given the facts needed to make an informed choice or decision. Consumers must be provided with adequate information enabling them to act wisely and responsibly. They must also be protected from misleading or inaccurate publicity material, false claims made through advertising, labeling packaging or by other means.

c) *The right to choose* means the right to have access to a variety of products and services at competitive prices and, in the case of monopolies to have assurance of satisfactory quality and services at a fair price.

d) *The right to be heard* means the right to advocate consumer’s interests with a view to their receiving full, prompt and sympathetic consideration in the formulation and execution of economic and other policies. It includes the right of representation in governmental and other policy making bodies as well as in the development of products and services before they are produced or set up.

e) *The right to get redressal* means the right to a fair settlement of just claims. It includes the right to a fair settlement to receive compensation for misrepresentation or shoddy goods or unsatisfactory services and the availability of acceptable forms of legal aid or redressal for small claims where necessary.

f) *The right to consumer education* means the right to acquire the knowledge and skills to be an informed consumer throughout life. The right to consumer education incorporates the right to acquire knowledge and skills needed for influencing factors which affect consumer decisions.

g) *The right to a healthy environment* means the right to a physical environment that will enhance the quality of life. It includes protection against environmental dangers over which the individual has no control. It acknowledges the need to protect and improve the environment for present and future. However this has not been incorporated as one of the basic consumer right in the Consumer Protection Act.
Most of the countries all over the world have laws to regulate and control unfair and deceptive trade practices and to provide adequate protection to the consumers. The United States of America, as long ago as 1890 enacted the first anti-trust legislation and has added many more legislation in the last century all for the sake to prevent unfair trade practices. It has also established a strong body called Federal Trade Commission mainly responsible for monitoring, advertising, labeling and other deceptive practices. Similarly U.K., Australia and other developed countries do have a number of legislations to protect the interests of consumer (Agarwal, V. K., 1992).

The reaction that has been evoked due to the malpractices of business are the emergence of the doctrine of ethical and social responsibility of the business; consumerism; and the emergence of marketing concept, which requires the producer / seller to be oriented towards the satisfaction of its customers (Agbonifoh and Eodreh, 1986). As a result of these developments, various consumer rights do exist in almost all capitalist and so called mixed economies. Awareness of these rights and the willingness to exercise them in case of infringement does fulfill its aims. However there are reasons, particularly in developing countries like India to doubt whether most of the consumers whom the laws are intended to protect are aware of their existence and provisions and, if so, whether they actually do initiate redress actions when they should.

The problem of consumer protection in the marketplace for tackling the individual consumer problems has been addressed by the consumerists from two different angles. The two approaches fall under (Mann, J, & Thornton, P, 1978);

i) Consumer information and education, where the responsibility is perceived to lie jointly with the government and consumer organizations.

ii) The legal recognition of basic consumer rights, where the responsibility lies with the government though in cases it lies with the individual consumer as well.

In developed countries it is the consumer information and education approach whereas in developing countries including India, it is the legal recognition of consumer rights which is the most prevalent means for consumer protection. Consumerism is the response to these malpractices of business i.e. sensitivity towards adulterated, spurious,
Consumerism

hazardous and substandard goods as well as wrong measurement and high prices. It involves actions of individuals and organizations in response to consumer's dissatisfactions arising from exchange relationships.

1.4 BUSINESS RESPONSE

Business responsibilities towards consumer have always figured fairly low, perhaps because they are operating in a sellers market. It is only when a businessman is concerned with "competitive selling" that he gets down to study the tastes and wishes of consumers and strives to satisfy them. Business plays a significant role in economic, social, political and technological affairs. In fact it owes responsibility to all segments of the society. These include – the shareholders, workers, suppliers, dealers, the local community, the government and off course the consumer. The relationship between business and its environment is one of mutual benefit thus takes something and nurtures various segments of society. Only through such a relationship can a business survive and prosper, as otherwise it will strive and wither away (Gulshan S., 1994). The business responsibility in the Indian socio-economic environment assumes greater significance for various reasons. The prominent among them is trust vested in it by its stakeholders, be its shareholders, bankers, workers etc., government commitment for economic and social justice, the ethical aspects, growth of professional management, concern for environment and off course the phenomenal price rise and shortage of commodities.

There was a time when manufacturing was at one end and retailing at the other. But now there are many activities of business before the manufacturing begins and after a product is sold. In fact, the essence of all business activity should be the same; consumer protection and satisfaction. Further the marketing concepts have also undergone the change. It started from the product oriented concept and selling concept to marketing and now the social marketing concept (Kotler, 1980), all adding the concern for the consumer’s satisfaction in that order. Thus the role of marketing has widened and these changes are consistent with the underlying necessity of consumerism in which consumer satisfaction is the prime responsibility of the marketers.
Consumerism

It has been realized that the business action towards responsible marketing lies in self-regulation and giving fair deal to consumers. In this regard Council of Fair Business Practice (CFBP) was established in 1968 by some awakened industrialists to draw up a code of conduct. It enjoins on all businessmen to charge only fair and reasonable price, not to indulge in hoarding and profiteering in times of scarcity, not to trade in spurious or sub-standard goods, to maintain accuracy in weights and measures and not to publish misleading advertisements (Ghosh P. K., et al, 1991). Apart from this, Consumer Business Forum (CBF) was established in 1985 with the objective of establishing an atmosphere of mutual trust and understanding between the consumer and the business and safeguarding the interest of consumers through self-regulation and fair business practices. Advertising Standard Council of India (ASCI) was also established in 1985, to check the unethical advertisement (Bajaj R. K., 1990). Various reputed companies have also been active in opening a separate department like Consumer Affairs Department (CAD) to attend to consumers’ complaints and advocating the consumer’s view point within the company. The trade associations like Federation of Indian Chamber of Commerce (FICCI), Associated Chambers (ASSOCHAM) and various Chambers of Commerce have also taken up work to persuade leading manufacturers to establish regular Consumer Affairs Cells (CAC) to attend to consumer grievances and suggestions on an institutional basis. Further they have initiated sponsoring awards for fair business practice and try to develop healthy relationship between trade and consumer.

In recent times, competition with multi-national companies has pressured Indian companies to strive for international quality standards, which shall be a healthy sign for the Indian market in the near future. Business firms need to change their attitude towards the consumer. To focus, on the customer and to stop chasing revenues, profits, and market shares, which will flow, form the new customers’ competence. Forget too, forever, the silent consumers of yesteryears who, bereft of alternatives, uncomplainingly bought your product (Business India, 1997). In today’s – and tomorrow’s – new unforgiving marketplace, it is the choice-empowered customer who will decide yours fate. And competition, global quality and new economic realities are conspiring to limit success only to companies that are focused completely on their customer. For, only these companies can continuously monitor and meet changing customer needs; streamline
Consumerism

processes; cut costs; and restructure for quicker response to the customer’s demands. All of which will add up to an unmatched competitive edge, enabling you to conquer tomorrow’s marketplace today (Business India, 1997). This assumes greater thought in the wake of new realities which are; continuous entry of new competitors with huge investments thus exploding choice for the customers, fast falling margins, global quality standards and lastly customers demanding value for their money.

Therefore, a business leader has to be aware of the changes in the business environment and orient his organization to the changing times to face the accompanying challenges. No doubt, an organization has to concentrate on strategy of capacity, utilization, cutting costs and prompt services. But it has to adopt a strategy of customer’s satisfaction through quality improvement and maintaining delivery schedule. This is so, especially when consumerism has come to stay and business cannot help but respond to it imaginatively.

1.5 CONSUMER INFORMATION & EDUCATION

Consumer information and education is one of the most important spheres of work in consumer protection, and requires a lot of effort. There has been an increased recognition of the importance of organized consumer action and development of general consumer consciousness by people and the Government. Consumer education entails consumer information, consumer awareness about his rights and appropriate decision making for the individual. Due to the sharp diversity in attitudes, awareness of consumer rights and spending habits of Indian consumers in both urban and rural areas, consumer education assumes greater significance. The consumer does not get the best value for money, mainly because he lacks accurate information about the use, implication, and benefits of products and above all his powers as consumer. Voluntary organizations, governmental institutions and business leaders who can undertake the job of consumer education in India are scarce. Despite government legislation there is consumer alienation due to i) powerlessness i.e. lack of making themselves to be heard, ii) meaningfulness i.e. inadequate information for making proper choice, iii) normlessness i.e. lack of ethical and fair marketing practices by business and iv) isolation i.e. negative attitude of the
Consumerism

customers. Consumer education aims at making people aware about the laws and rights, develop the skills to make informed decision while purchasing and develop the ability to make the right choice between available alternatives keeping in mind ecological and economic consideration (Sethi M. & Seetharan P., 1994). It thus, develops in people an understanding of their role as consumer citizens within the social, economic and political system, and how to influence them to become responsive to the consumer needs. More so the aspects which the whole process of consumer education involves to analyze are the economic, health and safety, socio-cultural, legal and environmental considerations. Consumer education as a campaign can deliver results if consumer involvement programmes like participatory lectures, field activities, experience, testing and evaluation etc. are used to make people aware and understand about his rights and responsibilities as consumer.

There are various institutions, which can play a crucial role in consumer education. These are government, consumer organizations, business organizations and mass media. The government’s role is seen in the form of enacting legislations for consumer protection and setting up of consumer courts for consumer grievance redressal. However it can also use the electronic media to propagate consumer rights and can institute awards in this regard. The consumer organizations like Consumer education and Research Centre (CERC) Ahmadabad, VOICE Delhi, Consumer Guidance Society of India (CGSI) Mumbai, CUTS Jaipur etc. have been taking keen interest in making people aware about their rights and assisting them in filing complaints. They have been also involved in conducting seminars and workshops. This has though remained restricted to big cities only.

Consumer organizations are playing an ever increasing role in the general move worldwide to stronger consumer protection legislation. However the business executives view these organizations, as non-representative of consumer in general but are optimistic about the regulatory environment in the future. Despite these confrontations, it is felt that self-regulation will become a viable alternative (Ryan, J. K et al, 1985). The existing consumer organization, which have so effectively helped the educated middle class, are unlikely to be able to fulfill the same role for low-income consumer. If consumer
organizations are to have a more substantial effect on the system within which they operate, they will almost certainly have to become more political in character (Mitchell, Jermy, 1973).

Businesses can also contribute towards public policy and the general welfare including the environment, personnel and labour, technological development and professional management and provide healthy competition in the marketplace. They can adopt policies towards information, education and communication. Information about the quality, price, brand, packaging etc. educates the consumer by creating awareness, interest, evaluation, acceptance and feedback through communication.

The role of mass media is equally important for increasing consumer awareness about his rights. Special programmes on electronic media and columns in the newspaper dedicated to consumer related matters, rights and responsibilities, can enlighten the people for protecting the consumer against the malpractices of business. A concerted effort in the form of consumer movement is required which is though gaining momentum of late, from the consumer to safeguard their interest in the marketplace.

1.6 EMERGENCE OF CONSUMERISM

The emergence of consumerism was noticed in most developed countries in the late 1960's and early 1970's. At that time in U.S., Consumerism became the household word used to characterize the more or less organized movement aimed at promoting the welfare of consumers and protecting the rights of buyers (Barksdale H.C. & French W.A., 1976). During this period the diverse elements of this consumerist movement were united by a single main objective - the desire to ensure that the consumer got a fair deal in the marketplace.

Consumers early felt the need to unite, and in 1769 the first consumer cooperative society was formed in Scotland. This was followed in 1844 by the cooperative pioneers in Rochdale who laid down certain general principles and policies which have survived until modern times (Aexandar, et al, 1949). In 1930's cooperative assumed greater role for the cause of the new movement. In the late 1950's Vance Packard condemned certain
marketing and advertising practices in a series of best selling books (Packard V., 1957, 1959 & 1960). Packard made the terms "hidden persuaders", motivational research" and "planned obsolescence" part of the vocabulary of most consumers. Around 1960’s corporate executives were brought to public attention for charges of price-fixing, excessive profits and unfair competitive practices. Scherf (1977) opined that consumerism was not born out of the gratitude of consumers for their fortune, but out of a desire for more. The wave of consumerism in the 1930’s was mainly economic in orientation while as the 1960’s resurgence was largely social (Bloom & Greyser, 1981). It stemmed from a felt need to redress the imbalance in the marketplace between buyer and seller. However in 1962, in U.S.A, it got impetus when the then President John F. Kennedy in a special message dealt exclusively with consumer affairs. In this unprecedent action, President Kennedy defined the rights of consumers and recommended vigorous Government action to protect these rights (U.S. Congressional Record, 1962). At that time Ralph Nader, Betty Furness, and several others were highly successful in getting consumer protection laws enacted for ensuring safer products and better information. Later, Nader and his associates were involved in research reports, reformation of regulatory agencies and lawsuits to generate public interest in the consumer protection issues. 

According to Robert J. Levidge (1970) “Consumerism is related to of omissions as well as those of commissions which had been growing in 1970’s. The major contributory factors identified for rise in consumerism were consumer skepticism, anti-hypocrisy, and concern for environment (Elizabeth, Nelson, 1978). Consumerism is the evaluation tool of the current state of the market system and the extent to which it is functioning well in allocating goods and services in a contemporary society (Kaynak, 1985). It is the movement seeking to increase the rights and powers of buyers in relation to sellers. As such, it is in essence a social movement.

In the last three decades, consumerism has received much attention in business and academic literature. Numerous articles have been written for the cause of understanding the importance, underlying consequences, implications and future of consumerism. However this has mainly restricted to the highly developed countries (Kaynak, 1986; Thorelli and Sentell, 1982). In less developed countries, the marketplace
and the consumer differ significantly in buying-selling activities from the highly developed countries. The marketplace has been sellers' market as the consumers have little or no protection at the marketplace and are having low awareness about consumer rights (Kerton, 1980). Thus Thorelli (1990) has suggested that priorities for consumer policy in less developed countries i.e. consumer protection, education, and information shall be exactly the reverse of that order, in highly developed countries i.e. consumer information, education and protection.

While the consumer movement has evolved into a major force in many developed countries, and organization in these countries are under constant pressure to demonstrate greater responsibility in serving the needs of the society, the consumer movement is yet to emerge as the major force in the Indian market. Publications (Such as consumer reports) that attempt to reduce information symmetry between consumers and marketers are conspicuously absent in the Indian market environment. A brief glance of articles pertaining to the consumer movement in India (Khanna 1985, Tefft, 1986, Sen Gupta 1989) suggest that consumerism realistically is still in its infancy stage.

1.7 THEME AND VARIATIONS IN CONSUMERISM

The word ‘consumerism’ has become so commonplace that those associated with the consumer movement probably take the term for granted. Though the word is new, yet it has been interpreted differently and is subjected to periodic interpretations. This ambiguity led to the negative connotations by business apologists before being finally adopted by the consumer movement to describe its activities (Swagler, Roger, 1994). Even as negative usage continued, consumerism began to be used in a positive way to describe the efforts of the consumer movement. It connots two differing meanings:

a) Protection of interest of consumers.

b) Advocacy of high rate of consumption as a basis of sound economy.

Both meanings lead to consumption function to optimum level of satisfaction. Conceptually, ‘Consumerism’ is surrounded with suspicions, fears and irritations. The serious problem lies in variations in its definitions and conceptualization, besides in approach and emphasis in its practice in countries having different socio-economic and
Consumerism

political set-up (Singh, S.S., 1991). Like other ‘isms’ capitalism, socialism and communism, the variation in definition is obvious. Consumerism faces capitalist and capitalistic constitution about living from a national view point and on a national scale in the manner as labour movement confronts capital and enterprise about labour conditions. The movement is not of politics but that of consumer interests and in general peoples’ living. Further it does not reflect ‘poverty amid poverty’ but ‘poverty amid affluence’ (Niwata, Noriaka, 1977).

The monopoly of a big enterprise gave a sense of solidarity among consumer class thus business became target of consumerism. The term ‘consumerism’ though was coined by Vance Packard in 1951, yet it did not attained wide acceptability until 1964 when Nader and Kennedy showed very visible concern for the same. It has given a new emphasis to consumer’s right to full and correct information on prices, quality, costs and efficiency of distribution. Aware of their ignorance in buying, skeptical of the guardianship of private business, and doubtful as to whether or not they are getting their money’s worth, consumers have become articulate (Verma Y. S., Sharma C., 1994).

Consumerism is not a concerted effort. In reality it is a series of efforts having in common the feeling of dissatisfaction with goods and services and the marketing practices involved in their distribution coupled with the protest in a demand for information and for protection in the market (Dameron, K., 1939). To conclude from the discussion it is clear that the meaning of consumerism has not only changed over the years but also it differs the way it is approached. It is also evident, that they have been propounded in certain context that was prevailing at that time. This was so, to benefit all sections involved in the business activity since no business can survive without consumers. It is a collective consciousness on the part of consumer, business, government and society to enhance consumers’ satisfaction along with social welfare which will in turn benefit all of them.

The state of the consumerism can be better understood if its components are studied. The main components are the consumer, business, and the participation of government and neutral/ consumer organizations. The extent, to which a consumer is
Consumerism

conscious about his rights, raises his voice in case of exploitation and seeks redress,
determines the effectiveness of consumerism.

1.8 MODERN CONCEPT OF CONSUMERISM

There has been tremendous growth and development of consumerism in both
developed and developing countries over the years; so has its meaning and conceptual
framework varied during the last century. To comprehend the variation in its meaning
and concept broadly consumerism can be categorized into two groups i.e. traditional and
modern. Traditional concepts advocated the welfare of individual consumers where main
thrust was on the achievements of “rights” through regulation. Modern concepts go
beyond the interest of consumer to include public interest, the initiative of government,
concern for environment and other aspects of social welfare.

Traditionally it was observed that consumer’s satisfaction has to be accompanied
by public welfare. General public resisted to deterioration in social set up caused by
consumption function. Thus, the traditional concept did not convey the meaning of true
consumerism as it suffers from certain limitations. This concept lays emphasis on
enhancing the interests of individual consumer, treats market position as the outcome of
sellers and buyers interactions and lays more stress on the protection of economic and
physical interest of consumers. However, as the consumerism grew, the conceptual
framework proliferated in its scope.

As the principal targets of consumerists’ activities and demands, businessmen,
especially marketers are often perplexed and distressed by consumerism. Yet whatever
their attitude - accepting, cautious, or rejecting - most businessmen regard consumerism
with a growing interest (Greyser and Diamond, 1974). However, consumerism as a
concept finds its roots in basic dissatisfaction of the common man with market place
mechanisms (Raj-Gopal et al, 1980). With the increase in the complexity of marketing
transactions, spurting up of marketing malpractices, and excessive emphasis on
individual satisfaction, certain new dimensions have emerged in the consumerism.
Various authors have incorporated these dimensions in their definitions and conceptual
Consumerism

framework. Kotler, 1972 defined Consumerism as “a social movement designed to augment the rights and powers of buyers in relation to sellers.” He noted six major factors that contribute to the rise of rise consumerism in any national setting; structural conduciveness, structural strains, growth of a generalized belief, precipitating factors, mobilization for action and social control. In its wider perspective, it seems as an item on the agenda of administrative reformers for accountability and responsiveness through the technique of decentralization, de-bureaucratization and devolved planning process and the implementation consumer protection laws (Sing, S. S., 1991). The consumer protection movement, popularly known as ‘consumerism’ is a social movement of buyers and is recent and universal phenomenon.

The modern concept of Consumerism extends the responsibilities of the sellers even after the sale. It lays emphasis on group/enterprise than on an individual and broadens its scope from mere economic interest to behavioural interest as well. The main focus of these concepts is that, Consumerism is regarded as a social movement which encompasses all sections of society and highlights the role of both public and private sector. It also embodies consumer protection along with the consumer satisfaction. This implies consumers’ empowerment through the adequate means such as legislation, representation in decision making and logistical support to the consumer. Apart from these, emphasis is laid on business self-regulation and human welfare.

In fact consumerism is today an all pervasive term with meaning ranging from nothing more than people’s search for getting better values for their money to challenging that goal of society that calls for an ever increasing amount of material goods through time (Singh, S. S., 1991). Consumerists of the first type believe that prices are too high, quality and safety of goods are not adequate and the services facilities need to be improved. The latter group of consumerist question whether the emphasis should be on increasing material wealth or whether it might be better to focus more resources on public welfare, health and education programme and better leisure facilities. Consumerism has over the time developed into a sound force designed to aid and protect the consumer interests especially in some developed countries. However Webster (1973) viewed that consumerism may be approached at three levels depending on the type of relationship
between the consumer and the business. At the first level, consumerists argue that it is the relationship between consumer and the business enterprise which has to be modified. The definition typical for this level is that, “Consumerism means that the consumer looks upon the manufacturer as somebody who is interested but who really does not know what the consumer's realities are. He regards the manufacturer as somebody who has not made the effort to find out, who does not understand the world in which the consumer lives, and who expects the consumer to be able to make distinctions which the consumer is neither willing nor able to make” (Drucker, P., 1969). Operationally, at this first level of definition of consumerism, actions by consumerists focus on manufacturer- consumer relations in terms of products, services, advertising, promotion, packaging, pricing and distribution.

At the second level, a definition of consumerism expands into the examination of the interdependencies between the first level relationships described above and the societal system. The tone of the definitions at this level is generally one of a perceived threat against consumers, as becomes evident from the following definition: “Consumerism is generally considered to include some form of protection to people against:

i) physical threat to life, health and property
ii) economic threat to rational and satisfying consumption benefits as a result of market imperfections, abuses, fraud and deception, and
iii) threat from other consumers in the process of collective consumption in the modern technological mass consumption society” (Sheth and Mammana, 1974).

This definition puts the consumer and his anxieties in a total societal context. The drive to even higher levels of consumption is seen as sub-optimization of the quality of life; the imperfections and fraudulent occurrences in the social system are seen as eroding the standard of living.

At the third level, consumerist action becomes a tool for political activism. Certain organizations question the social fabric of the capitalist systems. In questioning the mass consumption society as an end, they not only want to change “caveat emptor”
into “caveat venditor”, but also want to control the process of production. Other organisations go even further by wanting to go the Marxist way and use consumerism as a platform to take control of the means of production.

1.9 THE THEORY OF CONSUMERISM

Hendon (1975) in his general theory of consumerism hypothesized the presence of seven conditions, which moderate the timing, intensity, and likelihood of consumerism:

1. Presence of inflation: Though presence of inflation is a predictor of intense consumerism, consumers may be fully involved in converting money into goods and thus too busy to engage in consumerism activities.

2. The proximity of actors: Consumerism movements occur only when sufficient people in close proximity to each other decide to act collectively.

3. Presence of environmental factors: The presence of a restrictive political and legal system coupled with a long tradition of class distinction increases the intensity of violent protests.

4. Presence of economic development: Consumerism tends to grow sophisticated over time. However, too much development tends to decelerate the movement.

5. Sophistication: Consumerism violence is greater if the issues are less sophisticated and relatively less violent if the issues are more sophisticated.

6. Class distinction: Class distinctions tend to be erased somewhat as lower classes gain more affluence.

7. Over-sophistication: An over-sophisticated economy -- one where the problems of consumption outweigh the problems of production -- brings with it a return to less sophisticated consumer issues for certain groups in the economy.
1.10 CONSUMERISM LIFE CYCLE PATTERN

Consumerism, like other movements and innovations, follows a life cycle pattern of development (Kaynak, 1986; Straver, 1977). The consumerism life cycle stages are generally described as Crusading (Phase I), Population Movement (Phase II) Organizational / Managerial (Phase III) and Bureaucratic / Conceptualization (Phase IV) stage (Barker, 1987; McGurk, 1980; Straver, 1977). The characteristic of each stage of consumerism activity does vary. In crusading phase, the emphasis is on regulating the producer to foster competition with no organized consumer movement of national status per se., while as in population movement phase, the consumer movement in a country begins to organize itself in order to provide a consumer voice in legislation. In phase III i.e. organization / managerial stage, governments both at local and central level begin to intervene actively in market on behalf of the consumers, while the bureaucratic conceptualization phase embraces consumers involvement in virtually all of the critical, political, technological, social and economic macro issues. There is complete consumer involvement in broader policy issues.

It is possible to position the various nations of the world on the consumerism life cycle as manifested by the extent of consumer information and protection legislation, government and consumer agencies, and public funding of consumer education programmes (Kaynak, 1986; Straver, 1997).

Additionally, consumer attitude towards consumerism should reflect the role of the consumerism movement in the marketing system. The development of consumerism in turn, could be traced to changes in the macro economic environment (Kotler 1972; Straver, 1997). Consequently, opinions about consumerism also should follow a consumerism life cycle pattern. While some support exists for the consumerism life cycle pattern theory (French, Barksdale and Perreault, 1982), other studies have found no support for this theory (Barksdale, et al, 1982; Barksdale, 1987). As suggested in Kaynak (1985), the authors expect developing countries to fall mostly in Phase I (Crusading) and perhaps in Phase II (Population movement). Thorelli (1990) has suggested that more advanced economies, where educational attainments are higher and consumer expectations are greater, exhibit stronger consumer discontent or dissatisfaction with the
product market in the formal sector of the economy. Similarly in the context of developing countries, where educational attainments and consumer expectation are lower, one expects weaker consumer dissatisfaction. Thus, consumerism should be strongest in the developed rather than the developing countries.

1.11 THE DEVELOPMENT OF CONSUMERISM

The development of consumerism in any country is it developed or less-developed can be traced to changes in the macro-economic environment and its major components. Paradoxically, modern consumerism is only found in the affluent countries and finds its roots mostly with middle or upper income consumers.

Stanton et al (1980) argue that the developing countries at the take-off stage have structurally conducive characteristics as enumerated below, that permit or create the potential for consumerism activity:

a) advances in income and education;

b) Growth of technology;

c) Exploitation of the environment and

d) Disparities between the quality of local and exported products.

The existence of these elements leads to social contradictions resulting in conflicting and deteriorating relations between consumers, business and government. As well, governments in developing countries in their efforts to rapidly develop their economies are involved directly in both trade and production. This apparent involvement makes it difficult for these governments to play the role of industry and trade regulators as consumerism would imply. Governments, therefore, can delay the inception of the movement, regardless of the existence of any factors that are conducive.

The existence of socio-economic of stress in developing countries leads to the proliferation of certain consumer beliefs. As a social movement consumerism can’t develop unless there is a generalized belief about problems in the marketplace. This generalized belief is not well developed in most developing nations. Consumerism also
Consumerism

requires a strong belief in the power to create change. In these countries lower level needs may still need to be met so they are not ready to face changes that involve higher level needs (i.e. developing nations consumers, in most cases, do not recognize that the problem exists).

It can be purposefully said that the existence of a common belief is a necessary condition for a social movement like consumerism to evolve (Kaynak, 1985). Catalysts or precipitating factors are usually specific events or major problems that spark the growth of the consumerism movement. The success of any consumerism movement depends upon how effectively it is organised and managed. The progression of consumerism activity in developing nations like India will ultimately depend upon the reaction of business and government leaders. Countervailing forces must also be considered in assessing the progress and course of consumerism activity (Onah, 1979).

It is evident that the consumer movement in developed countries especially in USA continues to be strongest. Amongst the Asian countries, Japan has demonstrated how consumer revolution can take place along with rapid economic development and the emergence of a mass consumption society. Japan is the front runner in developing consumer awareness in the Asia-Pacific region. Increasing numbers of consumer organizations have emerged on the scene and has forced the governments in this region to respond to consumer protection issues and reviewing consumer laws. Few of the countries that have paid heed to such pressures are Malaysia, Indonesia, Thailand and India. They have enacted special laws and separate consumer grievance redress mechanisms for the redress of the grievances and the protection of consumers.

The international organization of consumer union (IOCU) formed in 1960, by consumer groups of America, Britain, Australia, Belgium and Netherlands with a view to promote worldwide cooperation in consumer information, education and the comparative testing of goods and services. International organization of consumer union has also played a leading role in the development of consumer affairs departments in the Asia Pacific region ever since the founding of Asia Pacific Office in 1974 at Penang, Malaysia. The main work of international organization of consumer union has revolved around
developing consumer groups in the region, providing information and representing regional interests at the international level. It has also established links with other countries and helps in coordination with their activities.

1.12 THE INDIAN PERSPECTIVE WITH SPECIAL REFERENCE TO KASHMIR REGION OF JAMMU & KASHMIR

The situation of consumerism in India is rather more vulnerable as its presents a mixed picture. Except for a few large cities, the movement has not made any significant impact. Imbalances in various sectors of the economy limit its scope. Though consumers are the important pillars of our economy, they are the most unorganized, widely scattered and highly exploited which can be ended through collective social action and consumer consciousness. We have more than one billion consumers, seventy percent of whom are dispersed in rural areas. Although the demand for particular commodities may be quite high, yet there exist low consumption standards for numerous products.

At the time of independence, India adopted mixed and socialistic model of economy. The priority was given to the core sector of economy where government took the spearhead and developmental role. There has been a considerable shift since then. In mid 70’s and early 80’s, the initiation for opening some sectors to the private sector and deregulation of private sector was taken up. It was only in 1990’s onwards, that government took U-turn allowing private sectors and multinational-corporations to enter the market at large scale. In these years, the Indian marketing environment has undergone rapid transformation, as the market is flooded with sophisticated products catering to the various needs of the society. There has been the growth of middle class of the society apart from income and education levels. This has culminated into the consumer revolution. The consumerism has come to a vast portion of urban India in the last two decades and its rise has far reaching consequences on the economy (Verma, Y. S. and Sharma C, 1994). However, consumer awareness is low due to the apathy and lack of education among the masses. The situation is more apathetic in the Kashmir region of Jammu & Kashmir. The Srinagar city could be compared with any urban city of the country, yet hardly there is any consumer organization(s) or consumer initiative(s) visible for the cause of consumerism.
Businesses concentrate on the available market. Money is spent to win the readily available consumer to one's side rather than on winning the potential consumer (Ranganathan, N., 1974). Indian companies, for which Kashmir forms one of the market, are still at a stage where selling concept is the primary orientation in their marketing activities and the adoption of the marketing concept is a far off dream, as most of them lack a proper understanding of the same (Mehta S. et al, 1982; Verma, H.V, 1987). Further the role of marketing in India is still confined to urban areas. The businessmen in Indian especially in Kashmir show low level of social responsibility as they are confronted with complicated rules and regulations, inefficient administration and fluid political situation. What consumerism lacks here are education and information resources, testing facilities, competent leadership and effective implementation of price control and consumer protection legislations, besides the proper and effective governance as per the people's aspirations.

In India especially so in Kashmir, consumerism, like other social phenomena is also passing through a process of evolution. Consumerism is understood as an organized movement to protect the consumer interests and promotes their well being. Shortages, inflation and unscrupulous business practices are the main factors which make consumers react and seek due utility for their money. Consumers in Kashmir are least organized to react against these unscrupulous traders. Moreover the problem is compounded due to the low priority accorded to it by the present system of governance. Despite the same, the emergence and the growth of consumerism in India more specifically in Kashmir can be better understood by studying its various components. The significant components that play a vital part are as follows:

i) **Consumer Himself**: The extent to which a consumer is conscious about his rights, raises his voice in case of exploitation, and seeks redress, determines the effectiveness of consumerism. Consumerism and marketing concept are synonymous (Kotler, 1972). For this, the consumer has to be particular about his consumption patterns and marketing activities taking place in the market. He needs to be vocal in campaign against the unscrupulous traders.
ii) **Government Role through Consumer Protection Laws**: There is necessity of certain laws for monitoring the progress of any nation leading it to the destination of prosperity. The government has enacted a number of legislations for regulating the fair business practices and ensuring satisfaction to the consumer and welfare of the society. The most potent among them being consumer protection Act, 1986 adopted by Jammu & Kashmir government in 1988, with amendments in 1993 and 1994 giving more teeth to it. The observance of these legislations largely affects its success. Apart from these laws, government has entered into selected businesses and also ensures the supply of essential commodities to the consumers who are living in different parts of the country.

iii) **Business Self Regulation**: Till business realize its responsibility for serving the interest of consumer, no remedy can be effective in protecting the consumer rights. Of late some businessmen in India have come together at different platforms to institute awards for fair business practices and adopt a code of conduct for regulating their own activities. Such initiatives need to be extended to their part in Kashmir region as well.

iv) **Consumer Organizations**: There are approximately more than 1500 voluntary consumer organizations in India at national level. These organizations organize consumers for safeguarding their own interest. These groups which perform their activities in various forms such as protests, petitions, research etc. influence significantly in furthering the cause of consumerism. However such initiative to form consumer organizations is the need of the hour in the Kashmir region so that consumers are organized to fight for their rights and seek remedies to their marketplace grievances.

The nature of consumerism in the following years will depend primarily on the economic situation, the Government’s active participatory role, nature of consumption pattern, the business response to consumer needs and above all the socio-political changes in the country (Verma Y. S.; Sharma C., 1994).