CHAPTER II
REVIEW OF LITERATURE

2.1 INTRODUCTION

The development in consumerism issues has gained enormous momentum both in developed and developing nations. Many authors have addressed to, the issues of consumerism, marketplace and the consumer rights awareness and the complaining behaviour. Since the consumerism is regarded as a movement seeking to increase the rights and powers of buyers in relation to sellers, so in essence it is social movement. The European Bureau of consumer’s union for example, has become active on issues ranging from agriculture to foreign trade and is formally represented on the EEC’s consumers consultative committee (Barvich, R; 1979).

In the last three decades, various articles have commented on consumerism’s importance, underlying consequences, implications and the future prospects (e.g., Bloom and Greyser, 1981; Buskirk and Rothe, 1970; Evers, 1983; Johnston, 1985; Maynes, 1990; McIlhenny, 1990; Darly and Jonson, 1993). However consumerism has been primarily a concern of developed countries where consumer protection is quite advanced (Kaynak, 1986b; Thorelli, 1990; Thorelli and Sentell, 1982) than developing countries (Thorelli, 1990; Kerton 1980; Darly & Jhonson 1993). So far consumerism issues in developed countries like USA, Canada, UK, France, Sweden, Norway, Australia, New Zealand and Japan have concerned themselves with wide-ranging issues such as the need for consumers choice, product information and consumer protection (Wickstrom, 1983, Greyser, 1977; Sapiro and Lendrevie, 1973; Johanson, 1976; Arndt et al., 1977; Barksdale et al 1982). Much of these efforts have been at the behest of consumer groups. Barksdale and Perreault (1980) credited the movement with the fact that more “legislations designed to protect the rights of buyers” has been enacted since the mid 1960’s then during the previous two centuries. However, very little attention has been
devoted to consumerism issues in less developed countries where the movement is still at take off stage.

The comparatively few consumerism studies that have attempted to discern difference among consumerism supporters and non-supporters in the developed nations have often yielded discrepant results (Kroll R. J. and Stampfl R. W. 1986). Apparent contradictions are particularly evident concerning such variables as age, income, education and political affiliation. Coulson (1971), for instance found more support for consumerism among poor, less educated and older respondents. In contrast, Hustad and Pessemier (1973) found supporters to be younger, more educated and wealthier, while as Harris and Associates (1982) found mixed results concerning age, education and income.

In the recent years there has been spate of economic reforms towards the liberalisation of the developing countries economies. It has increased the trading activities of these countries within and with outside world. This may lead to economic and social ramifications and growth of consumerism in these countries. Therefore interest shown by the policy makers, business community and consumer behaviour researchers is obvious. Consumerism activity as discussed above is treated as a developed country phenomenon. The developing countries lag behind in consumerism activity is lack of appropriate conceptual and methodological frameworks to study consumerism issues across cultures in these nations (Kaynak, E., 1985).

2.2 STUDIES AT THE INTERNATIONAL LEVEL

Consumerism activity in marketing literature seems to have evolved interest in both developed and developing countries though differing in pace and development. Consumer behaviour researchers have analysed and discussed these issues in greater detail. Consumers sentiment about the aspects of willingness to buy i.e., household financial position, business outlook, and market conditions, is said to capture the common underlying concept of consumers sentiment or consumers confidence. The issues of measuring consumers sentiment has been addressed to, by many authors, by using different scaling techniques, in developed nation (Didow N. M. et al, 1983; Mueller, 1957; Juster and Wachtel, 1972; Strazheim 1974 and others).
Consumerism

Customer satisfaction is a major outcome of marketing activity and serves to link processes culminating in purchase and consumption with post purchase phenomena such as attitude change, repeat purchase and brand loyalty more favourably. Olshavsky and Miller (1972) and Anderson (1973) examined disconfirmed expectancies and their influence on product performance ratings. Churchill, Jr. G. A. and Surprenant, C (1982), investigated the effect of disconfirmation variable on satisfaction. Their results indicated that the effects of expectation, diconfirmation and performance on satisfaction may differ for durable and non-durable products and also concluded that neither the experience and nor the subjects initial expectation affected subjects satisfaction with it. Rather, their satisfaction was determined solely by the performance in case of durable product. The typical dissatisfied consumer engages in a variety of activities that are detrimental to retailers and manufactures but that never come to their attention (Day R. L. et al, 1981).

The empirical investigations on the feelings of consumer satisfaction and dissatisfaction with specific product experiences have been usually dealt as attitudinal constructs. This has been tied to subsequent behaviours through its relationship to separate measures of behavioural intentions (Oliver, 1980). Andreasan, Alan (1985) found that higher dissatisfied people in health care system is among the young, married and those who have more hospital experiences. Knowledgeability and concern about medical care is also associated with higher dissatisfaction. However, emphasis in recent research is shifting to what actually happens when consumers experience strong feelings of dissatisfaction with a purchase experience i.e. consumer complaining behaviour (Day et al, 1981; Bearden and Teel 1980; Robinson 1979; Andreasen, Alan and Best A, 1977).

The Index of Consumer Sentiment (ICS) and consumer's attitude towards marketing practices, consumerism and government regulations have been explored in a number of national and cross-national studies (Arndt, Crane and Tallhaug, 1977; Barksdale et al, 1980; Barksdale et al 1982; French et al, 1982; Gaski and Etzel, 1985, 1986a, 1986b). Various authors have addressed the issues of consumer rights, consumerism, (Bloom and Greyser, 1981; Greyser and Diamond, 1974; Greyser, 1977, Kaynak, 1985; Kotler, 1972; Thorelli, 1981) consumer satisfaction/dissatisfaction (Andreasen, 1977; Day, 1983; Westbrook, Newman and Taylor, 1970) and complaining
Consumerism

behaviour (Day, et al, 1981; Singh, J., 1990b, 1991; Herman and Moore, 1984, 1986; Churchill G and Surprenant C, 1982) from different perspectives varying in generality and orientation. From these research findings it is clear that business/industry world over remain obvious of the consumer movement.

These studies and the studies on rights awareness and the complaining behaviour have been carried out mainly in the developed countries. Reviews of the past studies have been presented and discussed in the succeeding sections.

2.2.1 Consumer Right Awareness

Consumers seek redress for the wrong-doings of the businesses at the marketplace if they possess knowledge of consumer protection laws. If unaware of their rights as consumers, they will be less likely to complain. Are consumers ignorant of their rights and does this ignorance has something to do with demographic correlates? - need to be researched. Numerous articles have been published addressing the issues of consumer rights and protection laws. The concerted studies to gauge this awareness level among consumers are too few.

The prevalence of market imperfections and the inequalities in the seller – buyer dyad make it difficult for the practice of laissez-faire to promote the welfare of all. Quite often, these imperfections make the consumer helpless. Other factors which have contributed to the relative helplessness of consumer in relation to sellers are product complexities which make it difficult for the consumer to make reasoned comparisons. Further the lack of interest and capability on the part of consumers to obtain and evaluate necessary product information, inequalities in income distribution (Harris C. P. 1978) and consumers’ ignorance and lack of expertise (Mickleburg, J., 1979) calls for an effective consumer education programme.

The task of consumer education and awareness is the responsibility of consumer interest groups, neutral organisations, government and media. It is believed that the consumer’s rights awareness may have an impact on the complaining behaviour. This has been empirically supported by a study carried out by Saklani and Singh (1997) in Indian
Consumerism

corner. However the study was limited to study the complaint pattern of the consumer
durable product (T.V) only. The studies conducted in measuring the rights awareness
level though are few, have been conducted mostly in developed countries. The studies
along with their significant results are listed below;

1. Cunningham W. and Cunningham, I (1976)

Study conducted in USA to measure consumer' knowledge about laws/ regulations:

- Consumers had relatively low knowledge levels about consumer protection laws.
- Consumers were more knowledgeable about truth-in-lending than door-to-door
  selling.

2. Jobber D and Bandelow R (1979)

Study conducted in UK to measure the awareness of rights and their variation as per the
demographic variables:

- Knowledge of rights and laws among consumers was found to be 50 percent
  suggesting a low level of awareness.
- Awareness of rights does not relate to age, sex, however it varied due to the socio-
  economic status more positively.
- Though 61 per cent had a cause to complain and were having knowledge about
  the location of redressal agency yet only 2% complained.
- 20 percent had suffered unresolved or unsatisfactory conflicts – a disturbingly
  high proportion from the viewpoint of developed country standards.


The study was conducted in Nigeria - a developing nation.

- Study reported low level of consumer awareness among Nigerian consumers.
- Education was positively related to the level of awareness of consumer rights.
- Age and sex were not found having a significant relationship about the level of
  awareness of consumer rights.
Consumerism

The study was conducted in Holland to compare the level of awareness among general consumers' vis-à-vis lawyers.

- The lawyers are overall more knowledgeable than consumers about consumer rights and protection laws. However, the level of awareness about legal mechanisms for grievance redress among consumers was low.
- Consumers are less knowledgeable about truth-in-lending than about labeling, whereas lawyers also know less about truth-in-lending than about warranties.
- Men are more knowledgeable than women about prevailing laws.
- A strong positive relationship exists between income level and knowledge of consumer laws.

The study was conducted in the US to measure consumer knowledge.

- The study confirmed that generally more education one completes, the greater one's consumer knowledge.
- Young adults are less knowledgeable than adults aged 30-50 years.
- In America, while in particular areas, consumers are quite knowledgeable, overall they are not knowledgeable about consumption.

The study was conducted in the US to measure the knowledge of consumer rights and legal protection of older and younger Americans.

- Age is inversely related to one's knowledge of consumers' rights and legal protection. However, all the age groups had a lower level of knowledge about the consumer rights.
- Those who were married had more knowledge of consumers' rights and legal protection than those who were unmarried / single.
- Knowledge of consumer rights and legal protection is not gender related.
- Knowledge of consumer rights and legal protection among adults and older Americans is quite poor and it was not gender specific.
Consumerism

The studies carried out to measure the consumer's awareness level about their rights by various researchers as discussed above in the developed and developing nations, show low level of awareness about various consumer protection laws. Further this level tends to be low in the lower income groups, in these countries. Despite efforts from government agencies, and various information and education programmes of businesses in the USA, the knowledge of consumer rights and protection laws is poor and this is not gender specific. Research studies provide a strong foundation with which both industry and government can work effectively furthering the cause of consumerism.

2.2.2 Marketing Systems and Consumerism

Major part of these studies reports a high level of consumer discontent and widespread buyer dissatisfaction across nationalities. Barksdale et al (1982) explored consumer attitudes towards marketing practices, consumerism and government regulations in the six countries namely Australia, Canada, England, USA, Isreal and Norway. The study revealed negative attitude towards marketing to prevail in almost all six countries. The findings of some of the studies conducted in diverse national settings provide an insight into the issues of consumerism over the last three decades. The results are reported as follows;

1. Barksdale and Darden (1972)

A cross-sectional study of a national sample (US) of consumers’ attitudes toward the policies & practices of business:

- Most consumers valued highly the free enterprise system.
- Consumers showed a high level of apprehension about certain policies of businesses and discontent over specific marketing practices.
- Presence of imperfections in the marketing system is believed to be caused by the ineptness, carelessness and apathy of consumers.
- Consumers also believed that their problems needed more attention and expressed a need for greater government regulation.

A Survey of managers' opinion about the State of consumerism in US:

- Most executives viewed consumerism positively and anticipate its further growth and development.
- “Buyer Beware” philosophy is seen as fast eroding towards “Seller Beware”.
- Despite their problems, consumers are seen as still able to make sensible buying divisions.
- Businessmen support propositions to make advertising more factual and informative.
- Business is primarily responsible for causing problems
- Self-regulation is the most favoured route to solve consumer related problems.


A longitudinal study (based on three surveys conducted in 1971, 1973 and 1975) examining the trends in the attitudes of US consumers towards the policies and practices of businesses.

- In general, consumers were found to be skeptical about the commitment of businesses to the marketing concept.
- Regarding product quality, consumers believed that manufacturers make an effort to design products to fit their needs, but confidence in product quality appeared to be eroding.
- Consumers’ perceptions of advertising continued to be negative.
- Perceptions of the importance of consumer problems and the responsibilities of consumers (in the operation of the marketing system) did not change drastically.
- Public’s faith in consumerism appeared to be rising.
- Though rising prices continued to be an important problem, governmental regulation was not viewed favourably.
- Overall the findings showed that consumer discontent did not change substantially from 1971 to 1975.
Consumerism


- Marketing managers and consumer advocates do not see any conflict between the objectives of consumerism and the goals of marketing management.
- The consumer movement is viewed as a positive force which has performed a valuable service for both business and the public.
- The consumer movement has increased costs and necessitated higher prices for some products.
- Consumerism has stimulated increased government regulation of marketing.

5. Arndt, Crane & Tallhaug, (1977)

A cross-sectional study exploring the options of present and potential business executives in Norway concerning marketing practices and corporate responsibility:

- Executives surveyed did not reveal any pronounced pro-business stance in the area of consumerism.
- Though executives were more pro-business on statements of ideological nature, they were at the same time critical of marketing practices when their own experiences as consumers were unpleasant.
- Norwegian business executives were not too far out of step with executives from other developed countries on consumerism issues.


A cross sectional study conducted in US to measure consumer satisfaction/dissatisfaction in the purchase decision processes of consumer durables:

- Majority consumers had more satisfactory experiences for durables more often than they find difficulty and discontent.
- Relatively fewer people indicated troubles and problems in their purchase decision processes.
- Marketers are probably succeeding reasonably well in providing acceptable levels of satisfaction to the buying public.

Note: The results should be seen with caution, as only one class of consumer buying activity has been examined (i.e. major household durable goods).

A longitudinal study covering the period 1971-79 and based on five national surveys of US consumers conducted at two-year intervals. A follow-up to the study by Barksdale, Darden, and Perreault (1976):

- Overall, consumers were found to be skeptical about the operating philosophy of businesses and interest in product quality in 1979 as they were in 1971.
- Consumers continued to be unimpressed with the truthfulness of advertising or the dependability of advertised—relative to unadvertised—products.
- On a positive note, there was a declining sentiment that manufacturers’ promotional games and contests were dishonest.
- There was little change in attitudes on consumer responsibilities over the period examined. Consumers recognized that many problems reside with themselves.
- Though most consumers felt that consumerism has had an impact, attitudes toward business had changed very little over the ten-year period.
- The experience of customers revealed a declining faith in the notion that government regulation is the solution to the problems faced by consumers in the market place.
- Overall, there were no drastic shifts in consumer attitudes; consumer discontent continued to be substantially the same at the end as at the beginning of the decade.


A cross-sectional study examining consumers’ attitudes toward marketing, consumerism, and regulations in an uncertain economic period in Britain -- a period characterized by high unemployment, presence of EEC trade regulations, and a government reluctant to support the industry:

- The consumers were not satisfied with the existing marketing practices concerning product quality, truth in advertising, and fairness in prices.
- The consumers strongly advocated for price controls, promotion and product quality controls.
- Study cautioned businesses that those who ignored the public’s criticism of their practices might be facing the rath of public.

A cross-national comparative study of consumers’ perceptions of marketing and the operation of marketing systems in six different countries:

- The consumerism life cycle concept (i.e. the opinions expressed by consumers in various countries would reflect, the stage of development of the consumer movement in that country) was not supported.

- Consumers in all six countries surveyed were found to share similar views regarding high prices, inflation, and concern about product quality, negative attitudes towards advertising and governmental responsibility to safeguard the rights of consumers.

- Consumers in Australia, Canada, England and the US were found to hold similar views about the operating philosophy of business. Respondents in Israel had more negative views, while those in Norway had the most positive views.

- In regard to product quality, the attitudes of Israelis and Norwegians were somewhat at odds with those of the four other national groups.

- In regard to consumer responsibilities, Norwegians and Israelis appear to have the most positive view.

- More than half the respondents in Australia, Canada, Israel and Norway think that manufacturers are more sensitive to consumerism issues now than in the past, compared to only 43% of British and 44% of US consumers.

- Attitudes towards government regulation are mixed. It appears to be based on political ideology, with the US consumers being the least enthusiastic about it.

- Attitudes towards prices and price control were fairly similar across the six nations, but most negative in Israel.


A cross-national comparative study of executives’ perceptions about regulation environment and consumers groups:

- Consumer organizations are playing an ever-increasing role in the general move (worldwide) to stronger advertising regulation.
Consumerism

- European and US executives alike see the consumer organization as being non-representative of consumers in general and as being anti-advertising.

- European and US executives seem to be somewhat optimistic about the regulatory environment in the future.

- Executives view that self-regulation will become a viable alternative despite confrontations between Business and Government.

A cross-national comparison of consumerism issues in multiple environments.

- The global analysis of the consumer movement in the developed countries does not suffice as a basis for developing a conceptual framework of analysis of the phenomenon on an international basis as they vary widely that of less developed countries.

- The consumer protection measures, which have made progress in developed countries, are less relevant for the present conditions of most of the less developed countries.

- Consumerism would be more advanced in a country where the economic development is advanced as in developed countries.

- Consumerism activities are not well organized in less developed countries as the consumers in these countries try to attain their first order needs (physiological needs) and adjust their standard of living accordingly.

- Consumer dissatisfaction is voiced less in less-developed countries than in developed countries, as there is more of market seller’s market situation.

A survey measuring consumer attitudes and sentiment towards marketing practices in general in USA:

- The results of the study indicate that the marketing practice has improved and marketing’s public relations efforts are paying off since 1970’s.

- Environmental circumstances have changed in a way that produces less hostility toward marketing over past several years.

- Men do have more hostile attitude towards marketing than women do.

- Some evolution of consumer’s sentiment has taken place, as consumers are less inclined to blame marketing for this problem.
A cross-sectional study of the attitudes and perceptions of New Zealanders towards consumerism-related issues:

- New Zealanders seemed to share many opinions about consumerism independent of their demographic and socioeconomic backgrounds.
- Product quality, deceptive advertising and high prices were the main areas of concern for most.
- The positioning of New Zealand in the crusading stage of the consumerism life cycle was not empirically supported.

A survey measuring attitudes towards the components of marketing mix in Hongkong:

- In general consumer sentiment towards marketing was more favourable.
- Consumer attitude towards produced quality was most favourable than other marketing mix components, where it was found slightly unfavourable.
- The respondents having higher education and better jobs were having positive attitude towards marketing than those having lower education.
- The lower income group consumers were generally more skeptical about the prevalent marketing practices.

A cross-national comparison of attitudes of consumers toward consumerism in four developing countries including India:

- The consumers in India were lesser favourable to government intervention than those of Singapore.
- Consumers in developing countries in general are negatively predisposed towards business.
- The respondents of Singapore were more skeptical about firm’s desire to help their customers, than the Indian respondents.
A study conducted to measure consumer’s conscience in purchasing environmentally friendly detergent in US.

- The probability of purchasing environmentally friendly detergents is marginally higher for younger households.
- The probability of purchasing environmentally friendly detergents is significantly higher if the household is classified in a higher socio-economic class.
- Household buying environmentally friendly detergents are generally better educated, have higher incomes and occupation.

Consumers in developed countries like USA, UK, Australia, Canada etc. as revealed by above mentioned studies, show high level of discontent and wide-spread buyers dissatisfaction towards consumer orientation of business but they seem to be satisfied with the product. Majority of them however feel that producers are quite sensitive to their complaints and can still check prices to a reasonable level. In Britain too (French et al., 1982) consumers do not have confidence in the ability of marketers to deliver satisfaction to buyers. Therefore it is not surprising that the consumers in USA, UK, Canada, Australia and New Zealand (Barker, 1987) are in favour of government regulation as regards market standards; although they wish that business it-self should protect them from market malpractices. There has been some improvement in consumer sentiment towards business in USA (Gaski and Etzel, 1986) and this can be attributed to improvements in business practices, efforts for effective public relations of businesses and changes in the environment that produce less hostility towards business.

2.2.3 Consumer Complaining Behaviour

One of the major thrusts of the consumerism movement stems form what Peterson (1974) has articulated as the consumer’s right to recourse and redress. that is, a fair settlement of just claims, when dissatisfaction. However, there is considerable variability in the studies that have attempted to measure the overall dissatisfaction level as in the studies conducted by Andreasen and Best (1977), Westbrook, Neuman and Taylor (1977), Grainer, McEvoy and King (1979), Resnik and Harmon (1983) etc. Unfortunately, these differences are common in complaint literature as complaint
Consumerism

research suffer several limitations (Robinson, 1978). Thus most studies have not been
generalized and have been limited to demographic correlates only.

Despite these limitations, the study of consumer complaint intentions and
corresponding consumer complaining behaviour (CCB) has received increasing attention
in the last two decades from researchers and practitioners alike (Bearden and Teel, 1983;
Day, 1984; Resnik and Harmon 1983; Richins, 1983; Halsteed, 1991; Singh, J., 1988,
1989, 1990 & 1991; Morganosky 1992; Saklani, and Singh, 1997). This is mainly due to
the concern shown by the various forces of the consumer movement. Governments’
world-over have become more conscious about the plight of consumers and are setting up
the grievance redressal agencies. Business has realized the importance of complaints as
feedback mechanism of their activities. The growth of consumer organizations world
over is another indicator that works for safeguarding the interests of consumers. In terms
of macro marketing, the nature and extent of consumer complaining behaviour prevalent
in an industry seems to affect consumer and societal welfare (Andreasen, 1984 and1985).

Besides these developments, only fewer dissatisfied people complain. Researches have
consistently found evidence to support the "silent majority” hypothesis: a majority of
dissatisfied consumers are either unable to or do not seek redress from sellers directly.
Moreover the problem of unwillingness and inability to complain and that of
unawareness of rights does not appear to be limited to developing countries. Aaker and
Day (1982) observed that the businesses find it difficult to listen to their customers.
Therefore several third party agencies have come up to mediate between consumers and
businesses. It is a worldwide phenomenon, and therefore not restricted to any specific
country. Therefore consumer complaining behaviour can be treated as applicable in the
developing country like India as in the developed countries. Day and Landon (1977)
categorized and classified Consumer Complaining Behaviour (CCB) as follows:

a) Public action (which includes seeking redress directly from the business,
initiating legal action, and filing complaints in public or private agencies.

b) Private action (which includes boycotting the seller or manufacturer, and
warning friends and relatives.

41
Consumerism

However public action can be further categorized into two;

a) Direct action i.e. complaining directly to the manufacturer or seller,

b) Third party action i.e. initiating legal action or filing complaint with the government agency or any voluntary consumer organization.

Certain earlier concepts had restricted consumer complaining behaviour (CCB) to formal complaints only. However consumer complaining behaviour (CCB), including only formal complaints (to sellers/manufacturers) limits its scope. In fact, consumer complaining behaviour (CCB) ought to be defined as set of multiple (behavioural and non behavioural) responses, some or all of which are triggered by perceived dissatisfaction with a purchase episode (Singh, J., 1988).

Behavioural responses, that traditionally have been the focus of complaint behaviour studies, constitute any or all consumer actions that convey an “expression of dissatisfaction” (Landon, 1980). Conceptually, these responses need not be limited to those directed toward the seller (i.e. manufactures, retailer etc.). Behaviour involving third parties (e.g. consumer organization, legal action etc.) or even telling to friends and relatives (e.g. negative word-of-mouth communication) are also regarded as being in the category of behavioural responses (Day, 1984; Richins, 1983). In fact, conceptualizing CCB as complaints received by the seller is viewed as overtly restrictive (Best and Andreasen, 1997; Day et al, 1981; Richins, 1983). Further, Day et al (1981), and Singh J., (1988) among others, contend that non-behavioural responses, such as when the consumer forgets about a dissatisfying episode and does nothing, should be considered as legitimate consumer complaining behaviour (CCB) response.

“Doing nothing about an unsatisfactory consumption experience is a legitimate consumer complaining behaviour (CCB) response, as is a decision not to repurchase or telling friends” (Halsteed, 1991). According to Kolodinsky (1995), consumers can remain loyal (take no action) and accept the consequences, exit (boycott the product or service), or voice their complaint publicly to the seller or to a third party agency (legal redress, better business bureau etc.) or privately to friends or relatives. Therefore private (or no) action is a legitimate consumer complaining behaviour (CCB) response as is public
action. However some recent studies, provide compelling evidence for considering third party consumer complaining behaviour (CCB) response as a distinct phenomenon not merely public action (Feick 1987; Singh, J., 1988).

The present study considers above discussed three behavioural patterns such as those who engage in private action as non-complainers and those who engage in public action i.e. directly complaining to manufacturer/ seller and third party action as complainers. In the study the linkages between awareness level, attitudes and complaining behaviours is also sought. In consumer complaining literature, most of the studies seem to support the expectations – disconformity - dissatisfaction complaining behaviour relationship. However, dissatisfaction explains only a small percentage of complaining behaviour. Given dissatisfaction, the decision to complain depends on situations and personal factors (Day, 1984). The findings of some of the relevant studies addressing to these aspects of complaining behaviour are given below;

1. Bearden et al (1979) - USA
   - Past satisfaction, personal competence and attitude towards complaining exert significant influence on a consumer’s propensity to complain.
   - Weak relationship was found between the propensity to complain vis-à-vis education, income and occupation.

2. Day Ralph L., Grabicka Klaus, Schaeetzle Thomas and Staubach Fritz (1981) - USA
   - About one third actually seek redress from the seller whereas majority dissatisfied customers complain in ways that do not come to the attention of the seller or manufacturer.
   - Non-complaining varies inversely with the standard of living.
   - Redress seeking varies with the degree of government control of the economy
   - Non-complaining decreases and redress seeking increases when consumer assistance centers are widely available.

3. Meffert & Bruhn (1982) - Germany
   - The reasons found for not complaining were minor damages or perceived complaint barriers, the time and cost involved, low expectations and anger.
Consumerism

- Most complainers are found to be men and younger in age.
- Majority women are non-complainers, but they change their opinions and brands more frequently.


Studied Consumer Complaints and their managerial responses in USA:

- Managers were more skeptical with the complaints having less obvious solution than the consumers who expected response from the target of that complaint.
- Managers desired to satisfy consumers for their complaints having obvious solutions and perceived them as legitimate queries/letters.
- Inexperienced complainants had high expectations than their more-experienced counterparts.

5. Fornell, Claes and Westbrook, R.A (1984) - USA

- Organizational willingness to listen to consumer complaints decreases as the level and the volume of consumer complaints increases.
- Willingness to listen to consumer complaints contributes to increase in the number of consumer complaints filed.
- High proportion of consumer complaints contributes to the lack of participation or isolation of the consumer affairs department from the management participation.


- Those who complain are also active in political and community affairs than those who don't complain.
- Complaining actions are inter-correlated i.e. when consumer complain, there is a tendency for them to use several different channels.

7. Singh, Jag dip (1989) - USA

Studied the determinants of third party redress in case of dissatisfied patients:

- Prior experience of third party complaining was found to influence positively with the intentions to engage in future third party action.
Consumerism

- Prior experiences with third party actions are directly proportional to the discontent; the patients have with their health-care systems.

- Attitude towards complaining is the most influencing factor in engaging in third party actions than the expectancy of favourable outcome or the cost-benefit of the said action.

- Patients with greater prior experience of complaining are found to have less positive attitude towards complaining, while as younger people tend to have more positive attitude toward complaining.

- In health care services, as income levels increases expectation of success in third party action decreases – thus requires more research to understand this anomaly.


- There is direct and linear but weak relationship between consumer dissatisfaction level and voice consumer complaining behaviour.

- Once dissatisfaction intensity exceeds a particular threshold, consumer tended to use exit or word-of-mouth action more frequently.

- Consumer dissatisfaction moderates the relationship between attitude towards complaining and consumer complaining behaviour.


- Apart from satisfaction, several attitudinal factors were found significantly influencing consumer complaint responses :- word of mouth (WOM) behaviour, repurchase intentions, complaining intentions and seller-directed complaint actions.

- Consumer attitudes to channel member's responsiveness to complaints depicted the greater ability to predict multiple complaint behaviour.

10. Morganosky (1992)

- Complainers were significantly more likely to value aesthetics over fashion, functionality over aesthetics and want over need than non-complainers, while purchasing apparel.

- Demographic characteristics such as income and education played significant role in complaining.

- Complainers exhibited different lifestyle and values than non-complainers.

- The variations in the complaining behaviour of consumers can be explained by the estimation of economic model based on theories of dynamic demand and endogenous changes in tastes.

- Supply side factors such as large size of a company and ability to soften restraints, increases the probability of complaining in a more competitive environment.

- Consumer characteristics including personality traits are significant in explaining variations in the complaint pattern in a less competitive environment.

Apart from the above studies, relatively there is vast body of literature on complaining behaviour. Hirschman’s (1970) conceptualization asserts that degradation in quality of products/services and increase in consumer dissatisfaction occurs in the market structures other than perfect competition. Andreason (1985) found that in a loose monopoly situation (medical services), consumers who had more influence in medical decisions are more likely to switch physicians than to complain. However Singh, J (1991) found that consumers are less likely to make public complaints and more likely to make private complaints about industries with characteristics of loose monopolies. Kolodinsky (1993) examined public complaint action, company response and subsequent purchase in a loose monopoly (medical industry). He found that highly dissatisfied consumers and those more experienced with the industry (women and elderly) are more likely to voice private complaints (switch providers) than to complain to the provider. Singh, J (1989) in his study, looked into the causes for ‘third party redressal seeking behaviour’ among dissatisfied patients. He included variables like intention, attitude, probability, value and global effect- and found that 65 per cent of the variance was explained by these variables in understanding a dissatisfied consumer’s decision to seek redress from third parties.

Relative to the vast body of literature on complaining behaviour, few economists have modeled and estimated complaining behaviour (Hirschman, 1970; Laver 1976; Oster, 1980; Fornell and Didow, 1980; Fornell and Wernerfelt, 1987; Kolodinsky and Aleong, 1990; Kolodinsky 1990 and 1993; Kolodinsky 1995). Major contribution in
Consumer dissatisfactions occur in all nations of the world, but the ways in which consumer deal-with it can be expected to vary from country to country. Yet, it seems reasonable to assume that a common conceptualisation of complaining and non-complaining can be applied across countries, with differences between countries being explained by cultural, economic and political differences (Day, R. L et al, 1981). While discussing conceptual approval to understand why dissatisfied consumers do not complain, he suggested that action is taken or forgone only after the costs-benefit and the probabilities of success of the various alternatives are assessed. However when consumer assistance centers are widely available, non-complaining decreases and grievance redress seeking increases.

In recent times, the trend in business in developed countries seems to respond to the consumer discontent by establishing consumer affairs cell within the organizational formal structure to settle the consumer grievances. Typically, consumer affairs department seek to improve relations with the public, and to make firms more responsive to the needs and grievances of consumers. (Blum, Stewart and Wheatly, 1974; Fornell 1981; Hise, Gilbert and Kelly, 1978; Jones 1978). By representing consumer interests in corporation decision making, these units offer potential for improving the satisfaction of consumers in the market place. Beyond these societal benefits, consumer affairs units also offer significant opportunities for improving marketing effectiveness. While these have sometimes been successful in obtaining prompt and equitable redress for those who complain (Fornell 1978; Grainer, McEvoy and King 1979; Kandal and Russ 1975), there remains appreciable consumer dissatisfaction with goods and services, much of which is never voiced to the seller (Best and Andreason 1977; Goodman 1981).
Consumerism

Fornell and Westbrook, (1984) argued that consumers complaints are highly symbolic as they might imply failure or inadequacies of previous marketing decisions, and constitute criticism of the individuals responsible for the problematic policies or programs. Fornell (1981) found that organisational willingness to listen to and act upon its customer’s complaints is negatively related to the proportion of consumer problems voiced. The complaint proportion if remains high further isolates consumer affairs which contributes to the perpetuation of cycle of vicious circle. However, rather than having a group of silent, disgruntled customers who may eventually exit rather than voice complaint, any business firm may increase the probability of satisfying its customers because it gets a second chance when a consumer complains.

The empirical studies on complaining seem to be helpful to retailers, manufacturers, non-governmental consumer organizations, public interest groups and government agencies in understanding complaining/ non-complaining behaviour of the consumers.

2.3 STUDIES AT THE NATIONAL LEVEL

Researches done in the field so far have highlighted many issues of consumerism. Tefft (1986) found that many middle class and wealthy Indians view consumerism with indifference and awakening Indian consumers is not easy. However on the positive side, Tefft notes that there are some heartening signs for consumerism in India like government and business initiative for holding seminars for brighter future of consumer movement and growing incidence of charges being field by consumer advocacy groups. Another positive aspect of consumer movement is consumer awareness about his rights. To achieve this positive, the negative must be removed i.e. all efforts are required to dispel consumer apathy towards marketing system and complaining procedures (Khorakiwala, F. T., 1991). Further the rights of consumers can be protected adequately only by organized action on the part of consumers, though these action are restricted to a few large cities only.

In India, little attention has been given to study the consumer attitude towards present day marketing practices / consumerism and their awareness about the consumer
Consumerism

rights and various consumer protection laws. Except for some isolated studies such as Rajgopal et al's (1980) study of consumers and executives to identify managerial responsibilities for consumer protection, Hilger and Dahringer's (1982) cross-cultural study of consumer alienations from the systems in the U.S and India, Bharadawaj et al's (1991) attitudinal measurement towards consumerism issues, there seems to be dearth of studies on consumer attitudes towards marketing systems in India.

The survey carried out by Rajgopal et al (1980) though confined to metropolitan cities, found that about 80 percent of consumers were unaware of various legislations for consumer protection and approximately 50 percent did not read the maximum retail price, expiry date etc. They also concluded that majority of consumers had cause to complain but 90 percent did not complain, as they did not have faith in the complaint handling system. Hilger and Dahringer (1982) reported high level of consumer alienation in India although scores did not differs between urban and rural consumers. Their data suggested a more general belief in India that the government should closely regulate the business. Further there appeared to be more association between product dissatisfaction and consumer alienation from the marketplace which corrobates the finding that stronger disposition of Indian consumer to support more government regulation of business.

The research carried out by Varadarajan and Thirunarayana (1990) and Bharadawaj, S.G, Thirunarayana, P.N, and Varadarajan, P.R. (1991) to measure consumers' attitudes toward marketing practices, consumerism and governmental regulations in India was confined to Bangalore city. Results were compared with Barksdale et al (1982) in an attempt to provide additional insights into the validity of the consumerism life cycle concept. The findings of the study as presented below revealed a high level skepticism towards the business practices and a strong support for consumer movement.

- Consumers expressed a high level of skepticism regarding the operating philosophy of businesses.
Consumerism

- Although most consumers felt that manufacturers try to design products to fit consumer needs, they also expressed a high level of dissatisfaction with current product quality.

- In line with other countries, Indian consumers viewed advertising with considerable skepticism.

- Consumers were dissatisfied with the marketing system due to product shortages and suspicious of the promotional activities of manufacturers.

- More consumers disagreed than agreed that the problems of consumers are less serious now than in the past.

- Consumers' responses on the subject of consumerism are indicative of the fledgling state of the consumer movement in India.

- Though consumers believe in self-regulation, hurt by a lack of such self-regulation, they favour greater government regulation of business.

- Most consumers believe high prices are a major problem and attribute it to the middleman. Consumers view boycotts and governmental regulation as an effective means to control prices.

- The attempt to place different countries in the hypothesized positions in the consumerism life cycle found limited empirical support.

Varadarajan, P.R., Bharadwaj, S. G. and Thirunarayana P.N.(1994) studied the similarities and differences in the attitudes of Business Executives towards marketing and non-marketing practices, consumerism and governmental regulations in India. The results as presented below revealed a high level of skepticism regarding the operating philosophy of business, discontent with marketing practices and support for consumerism among marketing as well as non-marketing executives.

- There is a high level skepticism regarding the operating philosophy of business, discontent with marketing practices and support for consumer movement among executives in general.

- Marketing executives are more defensive of the prevailing marketing practices than non-marketing executives.
Consumerism

- The study provided partial support for the hypothesis that the marketing executives are less favourably predisposed towards consumerism, price control and greater government regulation of marketing practice than non-marketing executives.

In the recent past researches have been too exploratory in nature (Singh, K. and Sangwan, 1994; Chandra and Patel, 1994; Kumar N and Batra N, 1990; Saklani et al 1988) and have covered only few cities. Moreover these studies focused on specific consumer groups. Sangwan and Kiran (1994) concluded that most common identified problems were overcharging, adulteration and sub-standard quality. Complaints regarding misleading advertising were reported more by urban consumers than rural consumers. Chandra and Patel(1994) studied awareness of consumer practices among college students. They found that the awareness level among college students about these practices is low. They concluded that legal procedures and day-to-day experiences does increase awareness and the media can play effective role to increase the awareness among common consumers especially the student community.

Kumar, N and Batra N (1990) found that the consumers are well aware of their rights but very few are exercising them. They suggested that the plausible causes for consumers not exercising their legal rights are the cumbersome legal procedures and unsatisfactory response of complaints from business. These results must be seen with caution, due to their inappropriate scale of measurement. They measured the knowledge aspect only than the awareness level as awareness encompasses the comprehension component as well. Therefore these studies may not truly reflect the state of awareness of consumer rights in India.

Saklani, A and Singh, N (1997), carried out a study to understand consumer complaining behaviour in the Indian context more systematically. He concluded from the results as presented below that the complainers are more aware about consumer rights and come mainly from high-income category and nuclear families.

- The study found that higher income group and smaller nuclear families tend to complain more.
Complainers seem to differ from non-complainers with their higher awareness of consumer laws and more positive attitudes towards complaining.

Complainers are more self confident while non-complainers believe that business will not listen to their complaints and do not have any idea whether consumer court will help them in redressal of their product/service related grievances.

Non-complainers often blame themselves for the problem with the product, while as the complainers usually blame the concerned business.

Complaints can be a useful tool for a manager to order product and service improvement as it facilitates a company to redesign its products, operating methods, and overall quality system (Singh, Antaerpreet, 1979). Effective complaint resolution earns customers loyalty. Thus, it is very important to solicit as many complaints as possible, by breaking down the barriers to complaining. For the same, the understanding of consumer complaining behaviour becomes crucial in the Indian context.

Due to the absence of any well-designed scales adopted in gauging the awareness level in the studies conducted in India, hardly any other study with a systematic approach has been carried out. Besides the above discussed exploratory studies, not much attention has been given to understand the marketing systems and consumerism issues; awareness level about consumer rights; and consumer complaining behaviour in India. Further no study exists in the literature to understand the linkages among the awareness level of consumer rights; attitudes towards marketing systems and consumerism issues; and the consumer complaining behaviour though conceptually they are quite related. Therefore to understand these issues in Indian context not only from the view point of complaining but also from the awareness and attitudinal angle a systematic study is called for.

2.4 RESEARCH GAP

Much of the research on consumerism and its related issues have been conducted in US and other developed nations. Realizing the significant influence of macro-economic, socio-cultural and legal-political factors on the consumerism, a number of researchers have undertaken comparative studies (Barksdale, H., et. al, 1982; Barker, 1987). Gaski and Etzel (1986) developed an instrument to measure consumer attitudes in
Consumerism

respect of the four major elements of product marketing practices i.e. quality, price, advertising and retailing/selling. He proposed that this aggregate index of consumer sentiment towards marketing should be reported at regular intervals to the marketing and consumer research communities.

Existing literature on consumerism–related issues has not analyzed and discussed much of the scenario in developing nations like India (Kaynak, 1985; Thorelli, 1981; Vardarajan, et al., 1994). The reason for this void is lack of interest in laying the pre-conditions that ensure the “take off” stage for consumerism across cultures/nations (Gaedeke and Udo–Aka U., 1974). Some insight into the current views, positions and philosophies of the parties concerned (especially consumer), which shall play the key role in the take-off stage of consumerism and beyond, is called for.

Consumer research and consumer protection have often been treated as separate domains of scholarly interest. However it is useful to think of consumer protection initiatives from a social and behavioural science perspective with regard to their likely behaviour impact on consumers, both individually and collectively (Friedman, M., 1991). It is, therefore important to examine the extent of consumerism and to determine the degree to which consumer protection; education and information (i.e. consumer emancipation) are available to various consumer groups, apart from examining the attitude of consumer towards marketplace and understanding the complaining behaviour. Only by assessing current state of the development of these issues with regard to consumerism can a country begin emancipating their existence (Thorelli, 1990). Such an empirical investigation of both individuals and organizations are lacking in the developing countries (Borbeck, 1990).

Consumerism-related issues in developing countries especially in India, continues to be under–researched relative to the needs of intelligent policy making (Darley and Johnson, 1991). Even if certain isolated studies have been carried out in India (Bherdawaj, et. al, 1991; Varaderajan, et. al, 1994; Saklani, et. al, 1997), yet they are focused on single issues of consumerism. Moreso the data in this regard has been collected from metros mostly among educationally and occupationally upward classes.
Various other studies (Kumar, N., and Batra, M., 1990; Singh, K and Sangwan, 1994; Chandra and Patel, 1994), apart from focusing on specific consumer groups also lack reliability and validity of the constructs / scales and thus the authenticity of their results. Further, due to the absence of strong conceptual and methodological frame-work in context of developing nations, the measurement of awareness level, consumer attitude towards marketplace, consumer complaining behaviour and their linkages if any, has still remain largely unexplored in India. Moreover, there is tremendous need to understand such issues in post-liberalized era, as the marketplace has opened up and variety of products/ brands of varying quality are available in abundance to consumers to make their choices.

The present study proposes to research the consumerism issues by gauging the consumers' awareness level of their rights, measuring their attitudes towards marketplace and identifying the antecedents affecting their complaining / non-complaining behaviour. A further goal was to measure the interactions among these factors to examine the resultant linkage in the quality of the data. It differs from earlier studies for adopting the reliable scales for measuring the dependent variables of awareness, attitude and complaining behaviour and their linkages. Furthermore as no study exists in literature to discuss the linkage of these variables, that though is conceptually related. Moreover no study, to mention of has been either conducted or reported anywhere to measure the above discussed issues/ variables in the State of Jammu and Kashmir, particularly in the Kashmir valley. Therefore this study is a pioneering work in nature in India and particularly in the State of Jammu and Kashmir. The unit of analysis is the “Consumer” above the age of 18 to provide for indepth analysis.