Chapter - 13

CONSUMER MOVEMENT AND REACTIONS FROM GOVERNMENT, INDUSTRY AND CONSUMER GROUPS

13.1 INTRODUCTION:

It was not until late 1970 and early 1980, two decades after Vance Packard published ground breaking 'The Hidden Persuaders', that academicians Marchand (Advertising - The American Dream), Stuart Ewen (Captains of Consciousness), T.J. Jakson Lears and others dug-up and interpreted the advertisements that shaped the formation of the modern mass market. It is such work that criticised the effects of advertising on society, see the solution to the problem is --- to educate the consumers, in what they call 'Media Literacy', to allow them to 'decode' the stable effects of advertisements.

There have always been several people working for advertising who think consumer is fairly stupid. They maintain that when he reads, he does not pay attention unless advertisers shout at him through the medium of radio or television or any other medium that produces the noise in the consumer's mind. But fortunately this idea is not accepted by all practitioners of advertising. In fact, most of the advertisers feel that treating the consumers with respect and by showing concern for each other is very good salesmanship.
On the other hand, consumers laugh at the jokes in the advertisements, at times they even sing the advertisement jingles. They buy and try out the products as well as services, which advertisers tell them to try out. At times, they treat the advertisement as an old friend, but not a very trusted one. As in the long term friendships --- disagreements arises, disillusionments set in - such occasions recur in the consumer-advertising friendship.. But then, it is always upto advertisers to restore the public confidence and integrity of their message.

For advertising recipients, the consequences of advertising abuse are only occasional. This is not an adequate incentive to face uncertainties and cost of legal remedies, though the effect on mass audience as a whole may warrant some form of collective actions against the advertiser. But there are a number of practical difficulties in organising a complaint against the defaulting advertiser. Hence the need for strong consumer's organisations, who can undertake such complaints. They can have the required resources and expertise to seek redress.

So there are no obvious clear-cut answers to the important question about advertising's effects, abuses and consumers reactions. John A. Fleckner notes that people from fifty to hundred years from now will have a good deal of insight into what advertising meant in the late twentieth century. But there is always an 'information gap' between the advertising industry and public mind. This leaves people jaundiced about advertising and its effects and its role in the economy.
Consumerism is not a new idea. It is much older than Ralph Nader. Consumers have been attempting in a number of ways to improve their situation since early 1844. It was then, that the poor weavers in Rochdale, England formed the first co-operative of consumer's. Surprisingly enough, consumer protection has a long history. It dates as far back as Biblical times - The Talmudic law rejected theory of 'Caveat emptor' and seller was required to inform the buyer of all the defects of the product. Overcharging or undercharging for clear-cut reasons was considered a fraudulent practice, an offence punishable under law. Free competition was given full support even in those days.

Many groups and individuals were concerned with consumers issues during 1800s in U.S.A. But it was not until Sinclair wrote - 'The Jungle', that consumerists were able to see tangible results of their efforts. Advertising of course, has received its due share of attention from consumer organisations. In U.S.A., in 1900s, Printer's Ink magazine was established to set legal standards to help to eliminate misleading and deceptive advertising.

Consumerism has multiple meanings for people. Betty Furness has described it as follows: - Consumerism is an effort to put the buyer on an equal footing with seller. Consumers want to know what they are buying, what they are eating, how long the product will last, What product will do and will not do, or whether it will be safe for them and environment. They try
In India too, consumer organisations are gearing themselves up. Mumbai Grahak Panchayat has started 'Ad-watch club' that keeps track of misleading and unethical advertisements. Consumer Education and Research Centre of Ahmedabad has published a series of books for education consumers.

The changes are taking place all over the world, along with the changes in economic conditions. It forces marketing and advertising also to change and keep-up its pace with economic changes. There will be a time when seller will have to deal with better informed consumers. Today the governments are also keen to teach consumerism as a subject in schools and colleges.

13.3 EFFECTS OF CONSUMERISM ON ADVERTISING:

Consumerism has had direct and indirect effects on advertising. Perhaps, its most important direct effect has been to alert business executives. Consumers and government organisations are forced to scan all advertising claims very carefully for the violation of consumer rights. An important indirect effect of this step has been the growth of organisations trying to help consumers.

The right of the consumers have been emphasised by consumerists and organisations they represent.
Philips Kolter suggests the following rights should be added to the consumer's traditional one of refusal to buy the product, unless it is safe and will perform adequately.

1. Right to be adequately informed about more important aspects of the product.

2. Right to be protected against questionable products and practices.

3. The right to influence products and marketing practices in the direction that will enhance the quality of life.

These developments have led consumers to expect advertisers to volunteer in their advertisements such information as the true interest cost of loan to them, the true quality of the food items which they buy or possible harmful effects of the products they buy. Progressive advertisers have realised the increased power of consumers and have begun to screen their advertising claims more carefully. They have even altered their agencies to be more cautious of claims.

13.4 CONTRIBUTION OF THE GOVERNMENT TO THE CONSUMER MOVEMENT IN INDIA:

The government has more or less played a protective role towards the consumers. History shows, that there has been
vacillating in its protective attitude towards the consumers. It seems to be its indecisiveness as to whom to protect. The 'baby' who cries the loudest, gets the government's attention.

The term 'Consumer' has gained popularity only in recent years - towards the later half of the twentieth century even though human beings have been consumers of goods and services since time immemorial. The focus on consumers gained importance only after the dissatisfied consumers started voicing their grievances against unscrupulous traders and manufacturers of goods and providers of services. But even with the consumers voicing their dissatisfaction, nothing would have been achieved, had the government with their three wings - the legislative, the executive and the judiciary taken notice, intervened and taken appropriate and suitable action through the passage of relevant statutes and laws, setting up necessary institutions and passing of certain judgements by the court to help and protect the consumers.

13.5 THE LAWS AND ENACTMENTS:

In India, unlike any other developed country, problems are not merely of the quality of the goods and services produced. Even greater problem is availability of these goods to masses. In 1956, government also started a national agency, the Indian Association of Consumers, with the financial backing of Planning Commission. But it did not last long. In the year 1975-76, the government once again proposed to set-up a National Consumers Protection
Council and invited suggestions. But it did not materialise. Then again in 1984 Consumer Protection Council at national level was constituted.

All these attempts by the government to set-up national body specifically to look after consumer interests and protection were laudable for their ideas and aims. But it was a failure where action was concerned. However all these steps led to the final formation of Consumers Protection Councils at national and state levels under Consumer Protection Act, 1986. In accordance with this act, it has now become statutary to have these councils.

Though these councils have become statutary, permanent establishments, their impact is only on paper. In reality, a number of state councils have not even met once. The Central Consumer Protection Council,(CCPC) which, according to Consumers Protection Act, 1986, is supposed to meet as and when necessary, but hold not less than three meetings in a year. It has however achieved nothing.

The ineffectiveness of CCPC, as government sponsored and backed body, is well documented by the fact that right from fourth meeting to sixth meeting, it put merely on record that the "states were urged to set-up state and district level machinery for redressal of grievances under Consumer Protection Act, 1986 on priority basis". Yet the ministers and other representatives of the various states, who were also present at the meeting and were members of CCPC themselves, did not take cognisance of this, till they were forced to do so by the orders from Supreme Court.
Political considerations also affect the selection of two members to be nominated to the district forums and state Commissions. The excuse which most of the governments gave was that they had no funds and found it difficult to secure appropriate personnel and accommodation to establish the State Commissions and the District Forums. To overcome these problems, many states clubbed the number of districts under one forum. This however has resulted in diluting the effectiveness of the act. Ineffectiveness of CCPC and attitude of the government in implementing Consumers Protection Act, again significantly stands out when CCPC did not take note of the suggested amendments to the act by sincere activist like Mr. Manubhai Shah of CERC, Ahmedabad and Mr. Pradeep Mehta of CUTS, Calcutta.

13.6 THE CONSUMERS GRIEVANCE CELLS:

The consumer movement has received considerable attention recently from the marketing sector. Big business houses have begun to realise the impotance of satisfied consumers. Litigations or anti-publicity by dissatisfied consumers is quite damaging, both for the product and for the company's reputation.

The business houses now prefer to take preventive action rather than just concentrating on litigating with consumers. Therefore industries are setting-up various cells to redress individual complaints. It has been realised by some companies that such an attitude has, in fact benefited them in terms of credibility and increased profits.
CFBP was established in October 1966 with 53 members, all of whom professed to accept the following fundamental obligation:

1. To charge only fair and reasonable price and to ensure that prices to be charged to consumer are brought to consumer’s notice.

2. To take every possible step to ensure that agents or dealers appointed by them do not charge prices higher than fixed.

3. In times of scarcity, not to withhold or suppress stocks of goods with a view to hoarding and profiteering.

4. Not to produce or trade in superior goods or goods of standards lower than specified.

5. Not to adulterate the goods supplied.

6. Not to publish misleading advertisement.

7. To invoice the goods exported or imported at correct prices.

8. To maintain the accuracy in weights and measures of goods offered for sale.
But until 1990, not many business people were really interested in following these business practices. Eventually in 1990, the CFBP President, brought to the notice of the industrial houses, the importance of this movement and persuaded them to become members of CFBP and follow self-regulations and code of fair business practices. Though the council had planned to be an all-India body, it has ended as a local body primarily functioning in and around Bombay.

Yet as Ramkrishna Bajaj (the person whose brainchild the CFBP, in its original form, as Fair Trade Practice Association) candidly admitted, on the Council’s completion of twenty years, “One of the major difficulties it faces, is that it has no sanctions to compel anyone to join it or to take deterrent action against erring businessmen”. Not only the majority of businessmen show lack of interest in joining CFBP, even from among those who joined, some left, presumably since they found there are no tangible benefits that could possibly be gained from its membership. Even the members who did continue, did not want to be involved in the CFBP practices. For instance CFBP started ‘Consumer Affairs Cells’ to establish high standards of consumer relations --- a positive response to the consumer movement. But did not find any takers even from CFBP members.

The CFBP’s role many a time became quite confusing --- and at times suspected. However it claims to be the only organisation formed by businessmen to act in the interest of consumers. At times it becomes consumer organisation and often becomes a spokes person for the businessmen and traders.
13.8 THE ASSOCIATED CHAMBERS OF COMMERCE AND INDUSTRY OF INDIA (ASSOCHAM):

Like the other associations set-up by the industry, ASSOCHAM too, has, towards the end of eighties, set-up an expert committee on Consumer affairs, in order to promote awareness among the business houses and also to educate consumers about their rights and responsibilities. A monograph published by it in 1990 states, "ASSOCHAM which is basically an apex body of industries representatives, associations and traders is also aware of its responsibilities towards consumers and general public".\(^{19}\)

It kept this in mind and set-up its Consumer Affairs Committee (CAC), that it claims "has done a lot of work of propagating consumer awareness among its members and also educating consumers via its seminars, workshops, discussions on the other hand". "ASSOCHAM also suggests practical solutions for establishing better rapport with the consumer. It even suggested that manufacturers, especially of consumer goods, should establish a Consumer Affairs Cell (CAC) in their organisations which should be headed by very Senior Executive reporting directly to the Chief of Production or Chief of Marketing. It suggested that, manufacturers, especially of consumer goods, once or twice in the year hold a 'Consumer Meet' which should be open to public. This will inspire confidence and bring about the openness in consumer-manufacturer relationship. It will also help the manufacturer to get proper feedback from their consumers and make improvements in their products and services".\(^{12}\)
The aims and suggestions of ASSOCHAM are very good, and if implemented in the right spirit by all the majority of members, it would be a considerable contribution to the consumer movement. It could enable the consumers to approach CAC first, to get their complaints redressed, rather than approach government agencies set-up under Consumer Protection Act or MRTP Act. However, it seems that ASSOCHAM too, like the other associations of businessmen and business houses, is interested primarily in merely joining the band-wagon to assure the consumer organisations that industry is with them, in protecting the interests of consumers and the public at large. In fact, it is striving to promote the interest of its own members.

ASSOCHAM organises a number of workshops on the issue of protection of consumer's interest. One important issue related to advertising was conducted way back in 1989 in the 'Implementation of Marketing Code of International Chamber of Commerce (ICC) and Need for Self-Regulation among the business community'. Some important recommendations were made at the workshop. Most Chambers of Commerce, are members of CAC, and inspite of ASCI, having already set an example of how self-regulations can be made to impose sanctions, yet the workshops only suggested that the "various chambers of commerce, industrial organisations and trade associations, should be persuaded to propagate among their members, the ICC marketing code." If we scan the list of organisations and associations which have CACs, we find that, it is same as for ASSOCHAM. CFBP and FICCI. The facts go to show that the business houses are interested in the mere presence of interest of consumers, while
in reality, they are interested in seeing that the consumer does not seek and demand legislation for consumer protection.

13.9 CONTRIBUTION OF CONSUMER GROUPS:

The success of consumer organisations in providing consumer protection against misleading and manipulative advertising in the western countries enthused the Indian Counterparts to move in the same direction. In India, the complexity of consumer classification makes the task much more difficult. However the need of the hour is consumer awareness and consumer education for all categories of consumers. Advertisements are entering our life-styles, consumption pattern, our cultural as well as moral frame work in such slick manner that consumers do not even realise that they have consumed so much of advertising along with products and services. Only when we look back as consumers, we realise that we have changed due to the impact of advertisements. This is where the consumer organisations, their need for educating the consumers about the tactics and their contribution to alert the consumer becomes necessary.

Though the consumer movement in India is in its infancy, they have done commendable work, considering the difficult task at their disposal. Consumer guidance Society of India, Bombay is a pioneering institute in consumer movement. But now as compared to other up-coming groups, it has slowed down in its activities. Consumer Education and Research Centre, Ahmedabad, initiated and
Overweight is a health hazard.

The Time magazine issue of 25th Feb '85 reports, that overweight persons risk thrice the normal incidence of high blood pressure and diabetes, an increased risk of heart disease, shorter life span, and an unusually high risk of developing respiratory disorders, arthritis and certain types of cancer. This has been pronounced by an expert panel of 14 doctors and nutritionists assembled by the National Institute of Health, U.S.A. One of these experts was Dr George Blackburn.

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— Ramesh Gulati

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— Capt. M.M. Bhatia

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— M. Coutto

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guided by Mr. Manubhai Shah has done substantial work in protecting the consumers from misleading advertising. They initiated the case of Sheri Louise's misleading advertising before MRTPC in 1984. The judgement of MRTPC was in favour of CERC, which was to some extent, responsible for indirectly psychologically pressurising advertising community to form ASCI for self-control. Similarly Delhi based Voluntary Organisation in the Interest of Consumer Education (VOICE) has given tough times to advertisers in 1984 by taking-up the case of 'Made for each other' contest on the ground that it prompted non-smokers or smokers of low-nicotine brands to switch to the advertised brands in order to enter the contest.

Recently Ad-Watch club of Mumbai Grahak Panchayat in a very short period with sound backing of its parent organisation under the guidance of Mr. Shirish Deshpande and Mrs. Varsha Raut has done a noticeable job. The culb's objective is to monitor advertisements appearing in media and on hoardings. They want to take action against any advertisement found to be objectionable or obscene under the existing law. One of their activists stated - "As competition in the market place turns tougher, advertisements get more and more ingenious even though they are all aimed at the buyers. Consumer interest does not always get precedence. So we are not even going to wait for ASCI to take action. We will act on our own and will pressurise the advertiser to withdraw the advertisements on social and moral grounds."

Within one year of its formation, they were successful in persuading BEST to remove all advertisements of alcholic drinks
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13.3 (Source - Times of India, Bombay Times; Nov 4, 1994).
on buses as well as on bus-stops and even cancelling their future contracts. With the help of State Cultural Minister, Mr. Pramod Navalkar and Police Commissioner, they were instrumental in pulling down the hoardings of alcholic drinks. For taking action against Tuff Shoes advertisements, to some extent credit goes to them. They forced Zee TV to withdraw their full page advertisements in all leading dailies "Maa Ka Dushmani Piya Hai to TV On Karo", for Zee Cinema Channel. They even convinced MEXX Casual Wears to withdraw their advertisement in which they had shown unnecessary nudity. Somehow they were not much successful in persuading Indo-Biotech Foods Ltd to withdraw their advertisements comparing breast tumour with mangoes. But the matter is subjudice now.

In order to understand the consumer reactions about advertising they appealed to the consumers through their regular column in Marathi daily 'Loksatta' on 28th march 1995. They invited their views on advertisements. Along with the appeal, they had conducted signature campaign against the advertisements of sanitary towels, condoms, alcholic drinks and certain advertisements which have no connection at all with the product advertised. They were flooded with so many letters and signatures from all sections of the society, that keeping the record became a difficult task. The writers have very strongly protested against sanitary towels advertisements of Procter and Gamble. Some have written that their children compare sanitary towels with blotting papers, dusters and toddlers have sparkling question mark in their eyes about its utility, when these advertisements appear on television screen. So the club approached Procter & Gamble with atlest 6000 letters and 25,000
You see mangoes.
We see lumps in your breast.

Good morning dear, and how would you like your breakfast served up today? With Ponceau 4R? Carmoisine? Or would you prefer Erythrosine? Or Amaranth? The Tartrazine is rather good this time of year.

Quite honestly, honey, you really don't get a choice. Because these days most ice creams, jams and ketchups contain artificial colours and flavours. (Tsk, tsk, tsk.)

And most of these chemicals are suspected carcinogens (that's real bad-news, in simple English). For instance, Azo Dyes like Carmoisine, Erythrosine, Tartrazine, Indigo Carmine and a host of other artificial colours have been banned in most western countries.

Because, while they give strawberries that appetising red and oranges that delectable orange, they also aggravate your allergies, asthma, may cause bladder and liver problems, and even cancer.

Here in India, however, the most dangerous of them, the Azo group of chemicals (drawn from Coal Tar) is still part of your breakfast.

Carminojen on toast, anyone?

Now for the good news.

There's one Indian company that knows the secret to a great jam is not so much what you put in, but what you leave out. So we make our Mango jam the old-fashioned way. With real mangoes, not paint. And our tomato ketchups with surprise, surprise! real tomatoes, not dyed pumpkins. And our ice creams with (you'll never believe it) real fruit, not coloured blotting paper.

Here's our list of secret ingredients.

No artificial flavours (we let God look after that department).

And no artificial colours (we let God look after that department, too).

Promise.
signatures to stop or alter those advertisements. But the multinational, on its survey of 125 samples, did not find it objectionable and so continues to advertise.

To assess the awareness about advertising, the club conducted a 'Good and Bad Advertising Contest' among sixty IXth standard students of Borivali. These were representatives of all income groups, because the students were picked right from municipal schools to private convents. To their amazement, almost all of them separated good advertisements and labelled MR Coffee, Sanitary towels, Condoms and Mala-D, and alcoholic advertisements as bad advertisements.

In another effort to provide wider platform to this delicate, disturbing but neglected issue, they personally approached Mr. Buta Singh, who was Consumer affairs minister, Information and Broadcasting minister K.P. Singhdeo and some other prominent Members of Parliament. But the outcome was disappointing. The activists are happy, that their work in such a short span has been appreciated by Dr. P.K.Jhawer who is member of Consumers Complaint Council of ASCI since 1986. They have big future plans for awareness and unity of consumers against sub-standard advertising.
REFERENCES

11. Ibid - Page 13
12. Ibid - Page 10
13. Ibid - page 17