CHAPTER –I

INTRODUCTION

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1.1 INTRODUCTION

The needs of the human beings in the primitive stage were few with the sole aim for existence when they lived in forests and caves and continued to lead a life governed by the law of the jungle. The flora and the fauna were the main sources of food. The plants, the catch or the killing of animals was only for the personal consumption. With the passage of time people learnt to form social groups and a knowledge dawned upon their evolving consciousness to create and develop a social environment to make life more secure. Initially every family has to provide its own food and shelter and then people started different occupations- farmers started producing wheat while weavers started manufacturing cloth and the blacksmith or carpenter started making tools of agriculture and husbandry. This gave rise to the barter system whereby direct exchange or trade took place for goods produced by one person with the goods required, which some other person can spare, e.g., the weaver having surplus cloth exchanged it with the farmer who had surplus wheat and who required cloth.

However, with the increase in the volume of trade and the increase in the production, many difficulties were found in the barter system. It was found that the exchange of goods and services cannot take place unless and until a person require the same thing which the other person can spare and can himself spare the same article which the other person demands. It was difficult to store the goods and services for a long period and it was also difficult to calculate the exact value of goods and services to be exchanged, e.g., how will an employer pay for the services of his workers. Thus, the barter system, being inconvenient, gave place to 'the commonly accepted commodity' known as money or currency to buy and sell the goods and services in the market. Money or currency can be in the shape of a metal currency or a paper currency which is generally accepted by people as a medium of exchange or payment.
The King or the Government kept the right to issue the currency right from the beginning. The metallic coins were alone used as money or currency till the 17th century. With the increase in trade and commerce in the 18th century it was found that metallic coins were bulky and could be lost easily and, therefore, new type of paper currency was issued and on such currency the words "I Promise To Pay The Bearer The Sum of __________ Rupees" is written. However, with the expansion of the market system, the bank cheques, bank drafts, credit cards, debit cards, and the travellers' cheques which are more safe are also being used frequently for the purchase of goods and services.

In this modern society we cannot think of leading or even imagining a life without consuming the products sold in the market and utilizing the services rendered by various service providers. Consumption is as old as man, it is older than production. As stated earlier man in ancient times was dependent more on nature and was in that sense self sufficient and independent. Now we may look back in those days wherein each man was self- sufficient entirely depending on natures' bounty but cannot go back and live like that. Today even the air we inhale and the water we drink are matters of great concern to each and everybody owing to the impact of Industry and Commerce.

It is the will and choice of the consumers that provide necessary support for maintenance and growth of business ventures. A business exists for the consumer-to satisfy his needs by providing appropriate goods and services or even to generate additional wants. Consumer wants are the root causes of all economic activities. Economic activities consisting of production, distribution and consumption have become indispensable, inevitable and most important part and parcel of human activities. Thus it goes without saying that the consumers and the consumers alone control all economic activities. In other words consumers can decide and guide entire economic scenario. If the same logic is applied in the process of investment, production, sale and consumption
of goods and services, the consumers can dictate entire living system including Government Policies. Government which is of the people, by the people and for the people lives on the income derived from taxes. In the democratic set up the very existence of a government is dependent on votes exercised by citizens who are all consumers. The consumers do not constitute a separate class. Everybody is included. Everybody is a consumer, the young and old, the rich and poor, workers and idlers.¹

Keeping the above things in view, it is aptly remarked “consumer is the king”. According to Adam Smith, ‘ the consumer is the sole and end purpose of all production and the interest of the producers ought to be attended to only so far as it may be necessary for promoting that of the consumer”². But, reality is different. Today consumers need protection. Even though the degree and nature of consumer exploitation differ from country to country, measures to protect consumers are important issues in many countries. ‘Unfortunately, all types of social systems dominating the world have not been able to eliminate consumer exploitation. Capitalism created a material-minded greedy man who is never satisfied. 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 entirety with respect to his psychological, spiritual needs besides his economic needs’.³

In the present day market system, the producer has the right to design, distribute, advertise and price his product. The consumer has only the right of “not buying it”. Though the veto power rests with the consumer, it has become difficult for him to exercise this in his paramount interests on account of lack of information, poverty, absence of choice etc. As a result, consumers are vulnerable to exploitation. Moreover it has been found that lot of weightage is given to production efficiency rather than consumption efficiency. Thus, we have lost sight of the pivotal foundation of consumers upon which our entire economic system is based. Unless there is equality of power between producers
and consumers, our economic system will not work properly. Without that equality of power, the market tends to tilt in favour of the producer. Unless consumers build institutions and systems to negate this, imbalance will persist.

The notion that consumers are inefficient is hardly new. Way back in 1912, Wesley C. Mitchell deplored the backward state of the art of spending money, pointing to ‘ignorance of qualities, uncertainty of taste, lack of accounting, carelessness about prices’\(^4\). This was reiterated by Margaret Reid in 1947. She stated that ‘many are poorly informed, are uncertain in their market selection, credulous and easily influenced, very susceptible to flattery’\(^5\). Consumer exploitation and measures to protect consumers are universal in nature and only the degree of intensity varies.

Consumer exploitation manifests itself in different ways in different countries. The market is becoming more and more complicated. Technological developments, research-backed intensive marketing strategies, entry of multinational corporations, globalization, hedonism, quality of governance, scarce natural resources have all compounded to make the position of today’s consumer vulnerable and many a times weak. As a result, today’s consumers are more confused and exploited. Hence, there is an urgent need for protecting the interest of consumers. J.K. Galbraith has rightly pointed out in his celebrated book *The Affluent Society*, ‘in the light of these considerations it must be evident that the doctrine of consumer’s sovereignty assumes more and more the character of a myth and a dogma’\(^6\).

The present day market system is most complex which is not only confined to the national level but has assumed international character. ‘Buyer be beware’ as a rule had been applicable for many years which implies that the buyer should buy the goods and services after being satisfied that there is no defect in the title, quality or the quantity of the same. This principle is, however, not applicable to the full extent in the present context. Human wants
for the goods and services are unlimited whereas the resources for the production of these goods and services are scarce and, therefore, the economic theory has to decide how to use the scarce resources or means for obtaining the maximum satisfaction or utility for the members of the society. Similarly every individual consumer has to decide how to get the maximum satisfaction from the purchase of goods and services with his limited resources or means. Due to international character of trade and industry, having well-organized and highly professionalised producers and sellers on the one hand and the illiterate and unorganized consumers with little time to make the choices between various alternative commodities available on the other, the consumer’s exploitation is inevitable.

The industrial revolution and the development in the international trade and commerce has led to the vast expansion of business and trade, as a result of which variety of consumer goods have appeared in the market to cater to the needs of the consumers and a host of services have been made available to the consumers like insurance, transport, electricity, housing, entertainment, finance and banking. A well organized sector of manufacturers and traders with better knowledge of markets has come into existence, thereby affecting the relationship between the traders and the consumers making the principle of consumer sovereignty almost inapplicable. The advertisements of goods and services in the television, newspapers and magazines influence the demand for the same by the consumers although there may be manufacturing defect or imperfection or short coming in the quality, quantity and the purity of the goods or there may be deficiency in the services rendered. In addition, the production of the same item by many firms has led the consumers, who have little time to make selection, to think before they can purchase the best. For the welfare of the public, the glut of adulterated and sub-standard articles in the market have to be checked by the Government. In spite of various provisions providing protection to the consumer and providing for stringent action against adulterated and sub-standard articles in the different enactments like Code of
Civil Procedure, 1908, the Indian Contract Act, 1872, the Sale of Goods Act, 1930, the Indian Penal Code, 1860, the Standards of Weights and Measures Act, 1976 and the Motor Vehicles Act, 1988, very little could be achieved in the field of Consumer Protection. Though the Monopolies and Restrictive Trade Practices Act, 1969 and the Prevention of Food Adulteration Act, 1954 have provided relief to the consumer yet it became necessary to protect the consumers from the exploitation and to save them from adulterated and sub-standard goods and services and to safeguard the interest of the consumers. In order to provide for better protection of the interests of the consumer the Consumer Protection Bill, 1986 was introduced in the Lok Sabha on 5th December, 1986.

1.2 IMPORTANCE OF THE CONSUMER PROTECTION ACT

The enactment of the Consumer Protection Act, 1986, which came into force with effect from 1st July, 1987 in whole of India, is regarded as ‘magna carta’ in the field of consumer protection for checking the unfair trade practices and deficiency in goods and services. Consumer protection is the offshoot of the industrial revolution because the development in the field of trade and commerce generated profit motive leading to a race for earning wealth by all means—whether fair or foul. The business community is well-organized and have powerful organizations to secure their interests against the unorganized and mostly illiterate and poor consumers in India. So the worst sufferers of the industrial growth and development are the consumers in India. In early days the demands were limited and simple with adequate information about goods and services readily available in the market. However, the population explosion coupled with advancement in society and the industrial revolution has increased the needs of the consumers.

The availability of many goods of the same type and the publicity in the television, newspapers and magazines have made it difficult for the consumers to choose the best available in the market. It may not be wrong to point out
here that most of the problems being faced in India today are the result of our failure to inculcate the nationalist and patriotic feelings in the younger generations after the independence. The glut of substandard, misbranded and adulterated goods in the market by a few unscrupulous traders, with the ulterior motive to make easy money, the misleading advertisements regarding goods and services and ever-increasing prices of goods led to the demand for better protection of consumers through special legislation.

As early as in 1934, Mahatma Gandhi, the Father of the Nation, taught us the basic concept of consumer protection. He said, “A Customer is the most important visitor in our premises. He is not dependent on us. We are dependent on him. He is not an interruption in our work. He is the purpose of it. He is not an outsider on our business; He is a part of it. We are not doing him a favour by serving him. He is doing us a favour by giving us an opportunity to do so”.

In the modern complex society, the subject of consumer protection is of vital concern and importance for every citizen of the country, as each one of them is a consumer in one form or the other who does not constitute a separate class. Everyone is included. Everyone is a consumer - the adult and adolescent, the employed and the unemployed, the manager and the worker, the leader and the follower.

- Who is to be protected?
- What is to be protected?
- How to protect?
- Who has to protect?
- At what cost to protect?
- And what is to be compromised?

Answer to these and many other questions are not simple and easy. If one tries sincerely, everything under the sun can be connected to ‘Consumer’ in one way or the other. From religion to economics, science to superstition,
history to astrology, culture to literature, education to environment, war to peace etc., revolve around the consumer.

Although various scientific and technological developments have brought about perceptible socio-economic changes, the consumers' control over the market mechanism has gradually diminished. His supremacy in choice of goods and services has been greatly eroded by various forms of unfair, monopolistic and deceptive trade practices. If the purpose of business is to create a customer, the aim of consumerism is the protection of consumers.

The need for consumer protection is now being felt more than ever before. It is often said that consumer is the "King" and all activities should revolve around him. But unfortunately the Indian consumer is incessantly exploited. His exploitation takes place from dawn to dusk. It has been observed that the Indian consumer is cheated to the tune of Rs.2000 crores every year through deceptive and defective weights and measures.

There has been a rapid increase in the supply of consumer goods and provision of consumers services as well as new methods of distribution of consumer products. The development of modern sales method such as advertising, super markets, self-service centres, and pre-packing has made it difficult for the consumer to base a valid choice on his own unaided experiences and Judgments. The gap between the owners of business and consumers has widened. It has made marketing impersonal in nature.

1.3 CONSUMER EXPLOITATION

There is no doubt that there are various benefits attached to the modern technology and modern marketing methods. But everything is not so pleasant, palatable and smooth. The marketers have taken undue advantage of the consumer ignorance and helplessness. They employ various methods/techniques to meet their selfish ends. They have made the consumers a target
of their unscrupulous practices. Consumers do not get adequate response from the producers to settle their grievances. Consumer is on the center stage of all the activities. In fact, he is the very basis which supports the superstructure of all operations in the society. Consumer interest, therefore, should receive topmost priority of all. In reality this is not the case. Consumer today is nursing a feeling of helplessness, because he feels that he is being systematically victimized as regards quality, price and service. As a citizen, as a tax payer and as a buyer, the consumer should have the right to expect that he will get the right type of goods at the right price. In practice, it is well known that the consumer is the most ignored, most harassed and the most suffered.

While the profit in any business is not a crime and it is essential for survival and growth, illegal profit or profiteering through questionable means like product adulteration, fraud, inflationary price practices like hoarding, speculation, black marketing and so on are considered both anti-social and anti-national. The list of instances and kinds of exploitation through malpractices adopted by businessman is a very long one. Prominent among them include, lack of safety regulation, and adulteration, short weights and measures, misuse of colouring matter, limitations of manufacturers, blatant misleading advertisement, conspicuous consumption, dubious hire-purchase plans, deceptive advertising, hoarding, sales gimmicks, abuse of monopoly positions, poor pre and post purchase services, pressure selling etc. Besides, it is not uncommon to find marketers resorting to tactics like overstating employment opportunities after completion of certain courses, body building devices, height increasing gadgets, offering cures for incurable diseases, overstating products, attributes, misrepresentation of the qualities, falsely photographing the products accomplishments etc. The exploitation is observed not only in private sector enterprises but also in public sector enterprises too. A consumer in a developing economy like ours, susceptible to bouts of short supplies is not only taken for granted but also systematically taken for a ride, be it a matter of quality of goods or prices or rendering of services in public
utilities. All these indicate the gravity of consumer exploitation and the dire need of consumer protection and education.

In this connection it is relevant to note what Mahatma Gandhiji has rightly pointed out as published in “Harijan” dated 4th May 1935 that business, ethics, honesty and truthfulness should go together in the following words:-

“It is wrong to think that business is incompatible with ethics. I know that it is perfectly possible to carry business profitably and yet honestly and truthfully. The plea that business and ethics never agree is advanced only by those who are actuated by nothing higher than narrow self-interest. He, who will serve his own ends, will do so by all kinds of questionable means, but he, who will earn to serve the community, will never sacrifice truth or honesty. You must bear in mind that you have the right to earn as much as you like, but not the right to spend as much as you like. Anything that remains, after the needs of a decent living are satisfied, belongs to the community”.

Although honesty, integrity and trust are three pillars on which the sound system of trade and commerce should rest; yet now-a-days; honesty, integrity, truthfulness and trust are lacking to a great extent in business and trade in India posing a serious challenge to the rule of law and the obligations of the society to adopt and inculcate moral values. This is due to dominating position acquired by the traders and the suppliers of goods and services who can dictate their terms to the consumers, having the sole aim to earn wealth by fair or foul means and even at the cost of health and life of consumers. The exploitation of the consumers is also by public enterprises running most important services like television, telephone, water supply and electricity where the poor, ignorant, illiterate and unorganized consumers are the mute spectators bearing the blunt of the arbitrary and monopolistic attitudes of the officers. Ultimately the sufferers are the millions of the consumers who are living below poverty line in this country.
1.4 HOW TO PROTECT CONSUMERS?

Consumer protection may be viewed from three angles.

I) The physical protection of consumer – measures to protect consumers against products that are unsafe and endanger health.

II) The protection of consumers’ economic interest – measures to protect him against deceptive and other unfair trade practices.

III) The legal protection for the consumers – measures to provide adequate rights and means of redress.

Consumers can be protected by :

a) Following Self-regulation and fair trade practices by Business.

b) Legislative action by Government.

Self regulation by Business will minimize the need for extensive government intervention. The market profession can regulate its own behavior and actions by self-discipline and by raising ethical standards. Business community must read the writing on the walls and take without delay, appropriate steps to regulate its conduct and cultivate self-discipline and self-regulation in the larger national interests. Let it be noted that this is not merely for protecting the consumer interest but also to protect the self interest of the business community itself. Enduring and positive improvements in business practices can be brought about by the businessmen themselves and these changes should be based on the inner will or desire rather than from the external force or discipline. Many Trade Associations have moved positively to respond to growing consumer satisfaction. Chamber of Commerce and Trade Association can play an effective role in self-regulation.

In the past marketing legislation was by and large business oriented and not consumer oriented. Statutory regulation is the crudest form as well as last resort to secure a disciplined business conduct. Legislation gives statutory protection to innocent and ill-informed consumers against unfair trade
practices. For honest people, self-regulation works well and legislation is superfluous.

Not that the government in this country is silent or inactive to protect the consumers' interest. 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 more than 27 Central Acts, which govern trading operations today. The fundamental law of the country is related directly or indirectly to the philosophy and mechanism for the protection of interest, health and happiness of the consumer by legal control of immoral and anti-social practices of producers and sellers.

The Constitution of India includes different provisions viz., Equality (Article 14), Consumer Policy (Article 39, 39 (b), 39 (c), 39 (f), 43 and 47 and Freedom of Trade (Article 19 (1), 19 (6), 301 and 304 and moving High Court in case of violation of consumer rights (Article 226 and 32). Besides the protection granted under Indian Constitution, there are various enactments which protect the consumers from various abuses prevailing in the market place which have been dealt in the chapter-III.

The adage that the consumer is the king has been translated into something of a reality on the advent of the Consumer Protection Act 1986. The importance of this Act lies in promoting welfare of the society by enabling the consumer to participate directly in the market economy.

1.5 IMPORTANCE OF THE STUDY IN THE PRESENT CONTEXT

New horizons are emerging in the marketing area providing prime importance to consumer awareness. Consumer protection is one of them. Consumer is God. He is not to be bullied. He must get for what he has paid. It is his right. It is he who brings more customers. This concept has been a
mantra for the businessmen for their success. Customer’s satisfaction is the biggest infrastructure to build an empire of business.

Now things have altogether changed. Trade and business have expanded. International trade and commerce have given a fillip to the ever-expanding market throwing a wide variety of products in the most alluring way. There are also a large number of business houses, which do a lot of research as to what the consumer needs. Businessmen have to compete in order to survive. Multinationals have already made a dent in the country. Now the choices before the consumers are manifold.

But then manufacturing defects continue to worry the consumers. Many a time services rendered by them or by their employees remain far from being satisfactory. Many unscrupulous businessmen try to make a fast buck by duping the customers. Dishonesty in the business is a rule for such businessmen who think they can get away from the clutches of law. The consumers, most of whom are easily bullied, think what to do?

Now, a time has come to throw the weeds out. Spread of adulterated and substandard items has to be checked. Standards have to be maintained so far as the quality, quantity and purity are concerned. We have a host of laws like the Code of Civil Procedure, 1908, Indian Contract Act, 1872, Sales of Goods Act, 1930, Indian Penal Code, 1860, Standards of Weights and Measures Act, 1976, the Motor Vehicles Act, 1988, Prevention of Food Adulteration Act, 1954 and Monopolies and Restrictive Trade Practices Act, 1969 to take care of the consumers. But these proved to be inadequate keeping in view the changing nature of business and increasing awareness of consumers.

Keeping all these in view, the government came out with the Consumer Protection Act on December 24, 1986 and Consumer Protection Rules in April,
1987. The aim was to provide better protection to the interest of the consumers. During the last few years preceding the enactment there was in this country, a marked awareness among the consumer of goods that they were not getting their money’s worth and were being exploited by both traders and manufacturers of consumer goods. The need for a consumer redressal forum was, therefore, increasingly felt. Understandably, therefore, legislation was introduced and enacted with considerable enthusiasm and fanfare as a path breaking benevolent legislation intended to protect the consumer from exploitation by unscrupulous manufacturers and traders of consumer goods.

The importance for consumer protection is now being felt more than ever before. Among the myriad products in the market, consumer today nursing a feeling of helplessness if he feels he is being systematically victimized as regards quality, price of products and services available. Consumer protection against the marketing evils has taken a momentum now thus creating a new wave, a wave of state control. The success of measures, constitutional and legislative, for the protection of consumer will depend upon how far the consumer is able to enforce them through judicial process. Consumer and access to justice is therefore an important area, which should receive attention in any meaningful study on consumer protection.

1.6 NEED FOR THE STUDY

"Are there any crabs here?" said Alice. "Crabs, and all sorts of things," said the sheep: "plenty of choice, only make up your mind. 
Now, what do you want to buy?"

-Wool and water: Alice in wonderland. Lewis Carroll.

The market that we experience today is not only a changed market but also a fast changing market. If Alice (yes, the same little girl in the “Alice in Wonderland”) were to be in the present day market, looking at the countless volume and variety of products and services produced, purchased and
consumed, stiff competition among the producers and marketers and consumers, she would have definitely cried again, "Curiouser and curioser". For a researcher like me, it will be an interesting and educative proposition to look at how the consumers have placed and positioned themselves in the marketing environment that they are in.

A birds' eye view at the Review of Literature clearly shows that very little research work has been done into various aspects of the consumer protection at the macro level. No research study on consumer awareness in India with thrust on the consumer protection Act 1986 has been carried on by anyone so far. It is this factor that impelled the researcher to undertake the present research work. In spite of the plethora of the measures taken in this direction, consumer protection still remains a mirage and consumer sovereignty a myth. This research work attempts to assess level of consumer awareness in India and to work out viable measures for effective implementation of consumer protection Act.

1.7 STATEMENT OF THE PROBLEM

Consumer is the focal point of all business activities in the competitive world. He expects that he should get the right type of goods/services, of the right quality, at the right time and at the right price. He wants value for his money. At the time of buying necessaries of life, luxurious goods and utilizing services, when he pays as much as, is demanded by the manufacturer/dealer/service provider, he expects good quality in return but in actual practice the consumer is exploited from dawn to dusk in all possible ways. India is a vast country where a majority of consumers are poor, helpless and disorganized. Further, the market in India is generally a sellers market and it is very easy to dupe the innocent consumers. It is now realized that a common consumer is neither knowledgeable nor well-informed.

Indian consumers are of three types; the Rural, Semi-urban and Urban consumers who are ill-treated because of their ignorance. The consumption
OBJECTIVES OF THE STUDY:

a. To study the origin and growth of consumer movement in India.
b. To find out the perceived level of consumer satisfaction regarding the durable products and service providers.

The pattern of an Indian Consumer is also affected by social and cultural factors, income, geographical location and knowledge about the market. A profile of a typical Indian consumer shows that he does not take risk, is orthodox, dependent, family oriented, less educated about the consumption function and also has weak bargaining power due to financial constraints. The average consumer is not in a position to evaluate in detail the different types of goods/services provided to him. Even when a consumer has a complaint about goods/services, there is no guarantee that he will obtain satisfactory remedy. There is a wide spread dissatisfaction with reference to quality, quantity and the cost of the goods/services rendered to the public.

Though there were many legislations to protect the innocent and ill informed consumer during 1980s, consumer being unorganized, could not fight for his rights as none of these legislations provided for a quick, easy and cheap remedy to the consumer. In fact the Judiciary in India showed sympathy towards causes of consumer but judicial process has its own limitations. Generally it is tardy and time consuming, prohibitively expensive and beyond the reach of the ordinary consumer. However the Consumer Protection Act, 1986 gave a new turn to the consumers heralding quick, easy and cheap remedies. Legislation, however, perfect, is pointless unless it is enforced. The effectiveness of CPA depends on consumers Willingness/attitude to protect their own rights provided under the Act.

In the light of the background stated above, the Researcher intends to make an empirical study on the topic ‘A Study of Consumer Awareness in India with Thrust on Consumer Protection Act 1986’.

1.8 **OBJECTIVES OF THE STUDY:**

a. To study the origin and growth of consumer movement in India.
b. To find out the perceived level of consumer satisfaction regarding the durable products and service providers.
c. To analyze the level of consumer awareness regarding the consumer protection act, rights of consumers, redressal agencies, functioning of consumer forums.
d. To study the role of voluntary consumer organizations in educating consumers about their rights and duties.
e. To understand the views of consumer forum presidents and the members regarding efficacy of Consumer Protection Act,
f. To know the opinions of legal practitioners regarding implementation of Consumer Protection Act.
g. To suggest suitable strategy to promote consumer awareness programs to improve the effectiveness of Consumer Protection Act.

1.9 MATERIALS AND METHODOLOGY:
The consumer rights are human rights, which are recognized as the fundamental rights of the consumers. Whenever these rights are denied there will be a strong protest from the consumers in India. The purpose of this study is to divulge the awareness of consumers about their rights with thrust on the Consumer Protection Act, 1986. The relevant data for the study has been collected both from primary and secondary sources. Data from secondary sources has been used where the primary data was either not available or inadequate to support the discussion. A large part of the analysis depends exclusively on primary data collected through the survey of consumer respondents. Opinions of voluntary consumer organizations, legal practitioners, and presidents and members of consumer forum have also been taken into account while studying the problem of consumer awareness.

The following components have been identified for analyzing the extent of awareness of consumers.

1. Awareness of consumer rights.
2. Awareness of consumer laws.
3. Awareness about consumer protection councils.
4. Membership in the consumer protection councils.
5. Awareness about voluntary consumer organizations.
6. Membership in voluntary consumer organizations.
7. Lodging complaints to the consumer disputes redressal forum.
8. Habit of visiting shops.
10. Making complaints to the authorities.

1.9.1 Sources of Data Collection:
Both primary and secondary data were collected.

1.9.1.1 Primary Data:
Primary Data is collected during the period July 2004 to March 2005. The researcher for the purpose of study selected convenient sampling technique. A consumer sample survey was conducted with the help of a structured questionnaire. The structured questionnaire was administered to 500 respondents spread over five states in India in order to elicit their opinions on the working of consumer protection mechanism. In the first instance, 2 cities from each state were selected one being the capital city and the other one is selected by random sample technique. While selecting the other city list of cities having municipal corporations were considered. 50 respondents were selected from each city and hence the data is collected from 500 consumer respondents.

The researcher personally visited all these cities to gather data. In order to expedite the process of data collection, the structured Questionnaire was used as a self-administered interview schedule in some cases. The researcher made every effort to get all related information by
a. Encouraging an informal conversation.
b. Ensuring the animity of the respondent.
c. Emphasizing more on the need for such a study.
Table 1.1
Sample size of Respondents

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<th>States</th>
<th>Place</th>
<th>No. of Respondents</th>
<th>Total</th>
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<td>100</td>
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<td></td>
<td>2. Warangal</td>
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<td>Karnataka</td>
<td>1. Bangalore</td>
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<td>100</td>
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<td>2. Dharwad</td>
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<td>Kerala</td>
<td>1. Thiruvananthapuram</td>
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<td><strong>Total</strong></td>
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1.9.1.2 Secondary Data:

Secondary Data is collected from various sources like publications of various voluntary consumer organizations, Law Journals like Consumer Protection and Trade Practices Journal (CTJ), Consumer Protection Reporter (CPR), Consumer Protection cases (CPC), Consumer Claims Journal (CLJ), Current Consumer Cases (CCC), Reports published by Government, Books, Magazines, Newspapers, etc. All such sources have been listed in the bibliography.

1.9.1.3 Analysis and presentation of Data:

The collected data is tabulated and presented through tables and graphs. In order to achieve the objectives of the study, the data were analyzed with the help of computer and simple techniques of statistical analysis such as Bar Diagram, Pie Chart, Chi-square Test were used.

The persistent efforts of the researcher yielded fruitful results.
Map 1.1
Location of Surveyed Capital and Non-capital Cities in India

[Map showing the location of surveyed capital and non-capital cities in India]
1.10 LIMITATIONS OF THE STUDY:

1. The Researcher considering the time and money factor selected only ten cities from five states of India.

2. Only descriptive statistical tools such as Frequency, Percentiles, Chi-square Test and graphical devices are used.

3. Opinion of the presidents and members of Consumer Forums, Legal Practitioners and Voluntary Consumer Organizations were obtained through personal discussions.

1.11 PROFILE OF THE STUDY AREA:

This study is conducted in five states of the country namely Andhra Pradesh, Karnataka, Kerala, Maharashtra and Tamilnadu. An attempt is made by the researcher to examine the profile of study area.

1.11.1 Hyderabad:

The capital of the southern state of Andhra Pradesh, Hyderabad is a prime example of the amenable blend of Hindu and Muslim culture that India has witnessed over the centuries.

Although Hyderabad has a predominantly Hindu population, it was ruled by a line of rich and powerful Muslim rulers, the Nizams, who along with their courtiers left a lasting influence on the language, culture, cuisine and customs of the state. Population of Hyderabad is 36,86460 as per 2001 census. There influence is mainly seen in the old city of Hyderabad, while its modern twin Secunderabad that nestles on the vast Hussain Sagar Lake, houses the government and commercial offices and is the present centre of expansion. The stamp of technology and progress is evident in this part of the city, which is India’s second cyber city after Bangalore.
1.11.2 Warangal:

Warangal, 157 km. from Hyderabad, is noted for the thousand pillars temple, Bhadrakali temple, Ramappa lake and temple, Raymond’s Tomb and Srisailamone of the most important of Lord Shiva’s temple. Warangal was once the capital of the Kakatiya kingdom. It actually a cluster of three towns Warangal-Kazipet-Hanamkonda. Warangal is also a cotton market town. Warangal has direct rail connections with all important cities of India, the city is well connected by road. Warangal is a educational center, Kakatiya University is well known for its rich educational atmosphere. The population of Warangal as per 2001 censes is 5.77 lakhs.

1.11.3 Bangalore:

If there is a city that symbolizes quick growth, a modern outlook and technological savoir-fair, it is Bangalore, the capital of Karnataka. Over the past decades Bangalore has become India’s fastest growing city, and the hub of the nation’s IT industry. With it have come the malls, pubs, coffee parlor, cyber cafes, multi-cuisine restaurants and trendy lifestyle, but without the stress and strains of a large city like Mumbai or Delhi. This is the charm of Bangalore along with its pleasant temperate climate, beautiful gardens that are a legacy of the Raj, and friendly people.

Population of Bangalore as per 2001 cences is 65,23110. The city’s most impressive attraction is Vidhana Soudha. Built only in 1954, this overblown neo-Dra­vidian style granite parliament is considered to be one of India’s most spectacular government buildings. Other attractions include Shady Cubbon park, Lalbagh, Botanical Gardens.

1.11.4 Dharwad:

The twin cities of Hubli-Dharwad are located at a distance of around 420 kms from Bangalore. Dharwad is a quiet, pleasant and fast growing city in the northern part of Karnataka. It is just east of the famous western ghats and is surrounded by hills and lakes. It covers an area of 13738 sq.km. The city of
Dharwad is the district head quarters and educational and financial, industrial hub for North Karnataka. It has a population of 7,30,000 as per 2001 censes.

1.11.5 Thiruvananthapuram:

Trivandrum (Official name Thiruvananthapuram), lying on the southwest coast of India is the capital to the state of Kerala. Population of Tiruvananthapuram is 7,44,983 as per 2001 censes. It is located on the area of 74 sq. km. Malayalam and English are the two main languages spoken in the city and is well connected to most of other major cities of India through rail, road and air network. Because of its nearness to the sea the climate of this city is tropical. This also gives a very pleasant weather round the year to the city. Tiruvananthpuram is the first city along the path of the south-west monsoons and gets its first showers in early June. The city gets heavy rainfall of around 1700 mm per year. The city also gets rain from the receding north-east monsoons which hit the city by October.

1.11.6 Ernakulam:

Ernakulam is situated 217 kms. From Tiruvananthpuram. Ernakulam is the main business and commercial capital of Kerala. It has today come to represent a state of mind for the youth of Kerala. The destination of the adventurous and the ambitious. Today Ernakulam symbolizes the future of Kerala, as this city with a future paces ahead. The city’s suburbs feature mostly residential colonies and small commercial enterprises. Ernakulam offers a pleasing blend of scenic splendor and industrial progress. Population of Ernakulam as per 2001 censes is 5.58 lakhs.

1.11.7 Mumbai

India’s most dynamic and cosmopolitan city is the capital of Maharastrhrt and the Gateway to this beguiling sub-continent. The word Mumbai is derived from Mumbadevi, the patron goddess of the Koli fisherfolk, the oldest inhabitants of Mumbai. The name Mumbai, in its final form, dates
back to the 18th century. Mumbai was a cluster of seven islands called Heptanasia by Ptolemy in 150 A.D. Geologically, Mumbai forms a part of peninsular India, which is considered to be the oldest part of the country.

The unique feature of Mumbai is that the city has been built up mainly by the efforts and monetary contributions of its citizens. Having had a direct hand in guiding the growth of their city, it is no wonder that the citizens of Mumbai feel a glowing pride for their city and proudly call the ‘Urb Prima in India’.

Mumbai is a major international gateway to India with international flights from most countries of the world. Mumbai, one of the most important centers on the Indian railways network is connected by western, kokan and central railways to all parts of the country. Mumbai is an important junction on the national highway network of the country.

Mumbai is the main industrial center in the country, the humid climate of Mumbai is helpful for the development of cotton textile industry. Population of Mumbai as per 2001 censes is 33,26,837.

1.11.8 Nanded

Nanded earlier known as ‘Nandigram’ is located to the southeastern part of Maharashtra State. Nanded is situated 650 kms away from Mumbai and 270 kms from Hyderabad. Nanded is situated on the famous Godavati river which is also called ‘Ganga of South India.’

Nanded has a uniqueness of its own due to its historical, social and political importance. The tenth Guru of Sikkhs, Guru Gobind Singhji held his court and congregation here. This is the place where he recovered after assassins attacked him. It is the second largest city in Marathwada after Aurangabad. The climate of Nanded is very hot in summer and quite cold in winters. Nanded receives an average rainfall of 897.8 mm per year.
Asia's largest lift irrigation project named Shnkarrao Chavan Vishnupuri Prakalpa is constructed on the river Godavari just 5 km away from the city. Nanded is a trading center in this part of Maharashtra. University is established at Nanded in 1994 in the name of Swami Ramanand Teerth, renowned freedom fighter and a leader of Hyderabad Mukti Sangram. Population of Nanded as per 2001 censes is 4,30,266.

1.11.9 Chennai

India's fourth largest city and the capital of Tamil Nadu, Chennai, formerly known as Madras is located on the Coromandel Coast of the Bay of Bengal. Popularly known as the 'Gateway to the south'. Chennai is a perfect blend of the modern with the traditional.

The city's history dates back more than 2000 years. Originally it was a tiny fishing village called Madraspattanam, frequented by Armenians and Portuguese traders before the arrival of the British. In 1939 the East Indian Company set up their warehouse North of the Cooum River. The city gradually grew to be the center of the Empire's expanding power in South India.

Today, Chennai is a booming cosmopolitan city and is the center of the Tamil film industry. In fact, the film hoardings and billboards in the city are possibly the largest and most elaborate in the country. Malayam is the official language. English is popularly used in business circles of Chennai.

1.1110 Coimbatore

Coimbatore is the second biggest city of the southern state of Tamilnadu and is identified as one of the fast developing metros of India. There are about 50 thousand small, medium and large scale industries. Coimbatore is an important educational center in Tamilnadu. Coimbtore city is strategically located at the junction of the three modern southern states of Tamilnade, Kerala
and Karnataka with proximity to many important cities of Southern India. It is well connected by air and surface transport. This friendly city has a salubrious climate and surrounded by major tourist spots, has always been a natural favorite with international tourists. Coimbatore, popularly known as Manchester of South India. Population of Coimbatore as per 2001 censes is 12.5 lakhs.

1.12 CONCEPTUALIZATION

The different concepts used in the study are as follows.

1. **Consumer:** Consumer means any person who —

   (i) buys any goods for a consideration which has been paid or promised or partly paid and partly promised, or under any system of deferred payment and includes any user of such goods other than the person who buys such goods for consideration paid or promised or partly paid or partly promised, or under any system of deferred payment, when such use is made with the approval of such person, but does not include a person who obtains such goods for resale or for any commercial purpose; or

   (ii) hires or avails of any services for a consideration which has been paid or promised or partly paid and partly promised, or under any system of deferred payment and includes any beneficiary of such services other than the person who hires or avails of the services for consideration paid or promised, or partly paid and partly promised, or under any system of deferred payment, when such services are availed of with the approval of the first mentioned person but does not include a person who avails of such services for any commercial purpose.
2. **Consumerism:** Consumerism is an organized movement of citizens and government to strengthen the rights and powers of buyers in relation to sellers. It is a collective endeavour of the consumers to protect their rights. It is a substantive movement of consumers, by consumers and for consumers with no political overtones.

3. **Consumer behaviour:** It is the behaviour that consumers display in searching for, purchasing, using, evaluating and disposing of products, services and ideas that they expect will satisfy their needs.

4. **Voluntary Consumer Organization:** It is a non-profit, non-political voluntary organization of consumers formed to promote and protect the interests of consumers.

5. **Consumer Protection:** The term consumer protection is a combination of two words – Consumer and Protection. The later signifies some kind of safeguard for the former. Consumer protection signifies the legal safeguards provided to the person, who procure goods and services to ensure that they get true quality and quantity.

6. **Consumer Protection Council:** The CPA provides for the creation of a central/state consumer protection council to promote the rights of consumers. The representatives of consumer activist groups are associated with these councils who have been assigned the advisory role both at central/state levels. These councils having official and non-official members should generate a consumer movement.

7. **Complainant:** Complainant means –
   (i) a consumer; or
(ii) any voluntary consumer association registered under the Companies Act, 1956 (1 to 1956) or under any other law for the time being in force; or

(iii) the Central Government or any State Government;

(iv) one or more consumers, where there are numerous consumers having the same interest;

(v) in case of death of a consumer, his legal heir or representative who are ......which makes a complaint.

8. **Complaint:** Complaint means any allegation in writing made by a complainant that –

(i) an unfair trade practice or a restrictive trade practice has been adopted by any trader or service provider;

(ii) the goods bought by him or agreed to be bought to by him suffer from one or more defects;

(iii) the services hired or availed of or agreed to be hired or availed of by him suffer from deficiency in any respect;

(iv) a trader or the service provider, as the case may be, has charged for the goods or for the services mentioned in the complaint, a price in excess of the price –

a) fixed by or under any law for the time being in force;

b) displayed on the goods or any package containing such goods;

c) displayed on the price list exhibited by him by or under any law for the time being in force;

d) agreed between the parties;

(v) goods which will be hazardous to life and safety when used are being offered for sale to the public, -

a) in contravention of any standards relating to safety of such goods, as required to be complied with, by or under any law for the time being in force;
b) if the trader could have known with due diligence that the goods so offered are unsafe to the public;

(vi) services which are hazardous or likely to be hazardous to life and safety of the public when used, are being offered by the service provider which such person could have known with due diligence to be injurious to life and safety;

9. **Consumer Dispute:** Consumer Dispute means a dispute where the person against whom a complaint has been made, denies or disputes the allegations contained in the complaint;

10. **Defect:** Defect means any fault, imperfection or shortcoming in the quality, quantity, potency, purity or standard which is required to be maintained by or under any law for the time being in force or under any contract, express or implied or as is claimed by the trader in any manner whatsoever in relation to any goods;

11. **Deficiency:** Deficiency means any fault, imperfection, shortcoming or inadequacy in the quality, nature and manner of performance which is required to be maintained by or under any law for the time being in force or has been undertaken to be performed by a person in pursuance of a contract or otherwise in relation to any service;


a. District Forum means a Consumer Disputes Redressal Forum established under clause (a) of section 9;
b. State Commission means Consumer Disputes Redressal Commission established in a State under clause (b) of section 9;
c. National Commission means National Consumer Disputes Redressal Commission established under clause (c) of section 9;

13. **Member:** Member includes the President and a member of the National Commission or a State Commission or a District Forum, as the case may be;

14. **Opposite Party:** A person who answers complaint or claim.

15. **Pecuniary:** Monetary

16. **Jurisdiction:** The extent of power, the territory over which a court's authority extends.

17. **Relief:** Remedy or help sought from the court.

18. **Perception:** It is the process by which an individual consumer selects or forms an opinion in relation to chief attributes concerning price, quality, brand, package / appearance, promotion, reputation etc., in respect of products or services.

19. **Ombudsman:** He is an official appointed to investigate people’s complaint about maladministration by public authorities.

**1.13 ORGANIZATION OF THE STUDY:**

The entire study has been divided into seven chapters. A chronological list of these along with a brief summary is given below.
Chapter I: “Introduction” - includes Theoretical background of the Study, Importance of the Study, Need for the Study, Statement of the Topic, Objectives of the Study, Limitations of the Study, Materials & Methodology, Source of Data Collection, Analysis and Presentation of Data, Conceptualisation and Organisation of the Study

Chapter II: “Review of Literature”

Chapter III: “Consumerism” - includes origin and growth of Consumer Movement abroad and in India.

Chapter IV: Role of Voluntary Consumer Organizations, Consumer Redressal Agencies and Legal Practitioners in the context of Consumer Protection Act.

Chapter V: “Profile of Respondents” - gives a brief profile of respondents.

Chapter VI: “A survey of Awareness of Consumers in India” - presents analysis and interpretation of primary data in detail.

Chapter VII: “Conclusions & Suggestions” - Offers summary of the findings of the study, the conclusion drawn by the researcher and suggestions.
References:

1. Reid, Margaret G (1947), Consumers and the Market, I.S. Croft and Co., p.87.