3.1: Introduction to the Statement of Problem

The Consumer Protection Act, 1986, Amendment 2002 is a strong piece of legislation for consumers. Evidence of research in a very comprehensive way seems lacking. Literature seems to revolve on the structured organizational working mechanism for the Consumer Protection Act implementation and the loopholes that need to be plugged. Research on awareness seems to be multifold by most researchers, some focusing on geographic area, some on religion and culture, some on age groups et al.

The field that remains largely unexplored is the need to study the awareness on a given class of people that has achieved the highest level of education that is graduation in the Indian context and exploring further based on their professional qualification skills and service that they provide their awareness and willingness to enforce their rights as enshrined in the Consumer Protection Act.

The objective being that the graduate educated masses come from various fields i.e. advocates that provide legal service, doctors that provide medical services, teachers that provide educational services, engineers involved with infrastructure and machine building, chartered accountants providing financial tax services, graduate bankers providing banking services and home makers that provide service to families.

Each of these educated masses find themselves performing dual roles one of producer of goods and services and the other of a consumer. Having knowledge of their individual professions, their awareness is sought to be gauged and their willingness to use the Consumer Protection Act as a tool to redress their grievance is sought to be monitored.

India is the 2nd largest populous country in the world. A large size of this population is illiterate and economically poor and thereby become susceptible to the unscrupulous practices of businessmen.
The Consumer Protection Act being an excellent piece of legislation appears ineffective mainly due to its lack of use, due to lack of awareness which is a consequence of illiteracy.

This lack of awareness results into the consumer being directionless as to the path he needs to undertake to pursue if in case he is cheated, provided he knows that he has been cheated. Awareness about their rights and the remedies available needs an honest boost for the CPA to be effective.

The dismantling of restrictions in trade amongst country has given multiple choice for consumers. The use of new technology and an increase in the number of brokers and misleading information through advertisements has lead to an increase in the number of consumer complaints. Awareness amongst consumers in the above scenario needs all more an impetus.

**Government initiatives:**

The government has begun to introduce several measures to make consumers more aware and respond to any unfair practices by businessmen. Measures like multi-media campaign promoting awareness and encouraging consumers’ involvement through Government and Non-Governmental Organizations.

**Consumer rights:**

An aware consumer is knowledgeable and thereby in a position to uphold his rights through the mechanism set up by the government under the act.

Awareness comes through education that is to be on a continuous basis and through confidence and trust in the organizational structure set up by effective enforcement of its decisions.

The ever aware consumer makes the rouge businessmen adhere to the law of land thereby bringing about efficiency and healthy competition.
3.2 SCOPE OF THE STUDY:

1. The scope of this research is ultimately to understand the area that needs to be strengthened that will make the Consumer Protection Act an effective tool if awareness and willingness can be made to complement each other.

2. If graduate masses are found to be unaware, the remedy would be to educate them.

3. If there is awareness but lack of willingness, the reasons for the same needs to be evaluated so as to remedy it. They could be:

   a) The amount involved is negligible.
   b) Lack of time at disposal of the consumer.
   c) Lack of knowledge with reference to the procedure involved.
   d) Time involved in resolving disputes from filling complaint to the final judgment.
   e) The jurisdiction of the forums involved in resolving of the disputes and their enforcement of judgments.
   f) The cost of litigation involved etc…

4. Reinforce the need to educate the consumers whether literate or illiterate by bringing about awareness and building up their attitude towards being willing to enforce their due rights.

5. The purchasing power of the middle class section (literate graduate masses), which is the largest segment of the population has increased because of a prospering economy. This has necessitated giving high priority for the protection of the consumers and promotion of responsible consumer movement in the country.
3.3 OBJECTIVES OF THE STUDY:

Following are the objectives of the present study:

1. To study the importance of the Consumer Protection Act and its effective execution to uphold the rights of the consumer.

2. To understand the ineffectiveness of the Consumer Protection Act.

3. To understand the most likely amendments and measures to arrest the violations under the Consumer Protection Act.

4. To study the relationship between various professional classes and their awareness of consumer rights as enshrined in the Consumer Protection Act.

5. To study the relationship between various professional classes and their willingness to execute their consumer rights if and when necessitated.

3.4: HYPOTHESES:

Hypotheses are formulated in order to explain observed facts and draw conclusions regarding the relation between variables. For this purpose, each hypothesis is tested individually to examine whether they are significant or not.

According to Best and Kahn, “A research hypothesis is a formal affirmative statement predicting a single outcome, a tentative explanation of the relationship between two or more variable”

A hypothesis is the supposition made as basis for reasoning. These are directed towards some conclusion which will be helpful in examining the phenomenon under consideration in the research.

- Null hypothesis. The null hypothesis, denoted by $H_0$, is usually the hypothesis that observations result purely from chance.
• **Alternative hypothesis.** The alternative hypothesis, denoted by $H_1$ or $H_a$, is the hypothesis that observations are influenced by some non-random cause.

### 3.4.2: Hypothesis for the Present Study:

1) $H_0$ = There is no relationship between the type of profession and the awareness about consumer rights under Consumer Protection Act

$H_1$ = There is a relationship between the type of profession and the awareness about consumer rights under Consumer Protection Act.

2) $H_0$ = There is no relationship between the type of profession and their willingness to execute their rights as a consumer under Consumer Protection Act.

$H_1$ = There is a relationship between the type of profession and their willingness to execute their rights as a consumer under Consumer Protection Act.

### 3.5: RESEARCH METHODOLOGY FOR THE PRESENT STUDY

#### 3.5.1: RESEARCH METHODOLOGY:

According to Clifford Woody “Research comprises defining problems, formulating hypotheses or suggested solutions; collecting, organizing and evaluating data; making deductions and reaching conclusion; and at last carefully testing the conclusions; to determine whether they fit the formulating hypothesis”

The methodology used in the study is based on the research questions, the problems to be addressed and also based on the theoretical base. The survey methods used were questionnaires and interviews besides study of research articles.

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The data collected through this process will provide a direction for designing a strategy to improve the effective implementation of the CPA.

In this study, the researcher compared the responses of the seven graduate professional groups about the awareness and willingness to implement the Consumer Protection Act, with reference to age, gender and professional qualification. The researcher also found the opinion of the consumer activists about their experiences in the application of CPA to make it an effective tool to empower consumers. This study is quantitative, qualitative and descriptive research. The qualitative and quantitative research methods used for data analysis make it a descriptive research.

The graduate educated population has been considered since they form the intellectual community with apparently the highest level of information due to their exposure & qualifications they have acquired, their exposure to wider population and latest technology. The graduate educated masses who are also professionals perform dual roles one of a consumer & other of a service provider. The research probes the consistency in the responses based on Occupation, Gender & Age.

### 3.5.2 RESEARCH AREA

#### Table: 3.1: Parameters for demographic profiling for target respondents and their details are mentioned in the table below:

<table>
<thead>
<tr>
<th>SR. NO.</th>
<th>PARAMETERS</th>
<th>DETAILS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Location</td>
<td>Mumbai, Navi Mumbai, Thane (urban &amp; semi)</td>
</tr>
<tr>
<td>2</td>
<td>Gender</td>
<td>Male/ Female</td>
</tr>
<tr>
<td>3</td>
<td>Age group</td>
<td>18- 35 years/ 35 years &amp; above</td>
</tr>
<tr>
<td>4</td>
<td>Occupation</td>
<td>Chartered Accountant, Banker, Engineer, Doctor, Teacher, Lawyer, Home Makers/ others</td>
</tr>
</tbody>
</table>
3.5.3: DATA COLLECTION

The large volume of numerical information gives rise to need for systematic methods which can be used to organize, present, analyse and interpret the information effectively.

Croxton and Cowden clearly point out four stages in statistical investigation

i) Collection of data

ii) Presentation of data

iii) Analysis of data

iv) Interpretation of data

Utmost care is required in collecting the data because they form foundation of statistical analysis. If the data are faulty conclusions drawn can never be reliable. The first hand collection of data is one of the most difficult and important tasks faced by a researcher.

The first hand data is primary data, and there are various methods of collecting primary data.

Primary data

1. This study is empirical in nature. The data collected for analyzing the relationship between the type of profession, their awareness & willingness for implementation of consumers rights under CPA will be through a structured questionnaire; besides their personal details like Age group, Gender and residing address. The respondents will be professionals like Chartered Accountant, Engineers, Doctors, Teachers, Lawyers and graduate Homemakers.. The sample represents the entire universe representing the diverse population including both urban and semi urban population. The customers were available as per a pre appointed time schedule who were willing to fill the questionnaire.
2. Personal interviews were conducted of the stakeholders to understand the importance of CPA & its awareness & effectiveness of its implementation.

Secondary Data

1. The secondary data will help us to analyse the performance of the CPA from published & unpublished sources includes journals, research articles, published researches, published documents including the reports of the committees under Ministry of Consumer Affairs, books, thesis as well as the e-sources

2. Judicial cases, outcomes and Precedents set.

PERIOD OF STUDY

Last Twenty Years upto 2013.

3.6: SAMPLING TECHNIQUE / SIZE

Since field studies are planned, the time and cost are a deciding factor in the selection of respondents. They must represent the population to produce the right results. This selection of respondents is called a ‘Sample’ and the process of selection is called ‘Sampling technique’.

A definite plan used for obtaining sample from a given population is designing a sample.

3.6.1 Sampling Technique for present study

Convenience or volunteer sampling technique was used. The researcher got the form filled from the individuals, comprising seven graduate professional groups, who were willing to fill the form. The respondents covered were residing across the city/extended suburbs/Thane/ Navi-Mumbai both urban and semi-urban. The researcher asked them to fill up the questionnaire.
3.6.2: Sample Size for present study

Following analysis indicates the sample size covered to the universe present in the area covered:

- Population of Mumbai 11.98 Mn (as per 2011 census)
- Sample size covered in the Study : 2560

**Table 3.2: Master table of respondents: Profession, Gender & Age Group**

<table>
<thead>
<tr>
<th>PROFESSION</th>
<th>AGE (18 - 35 YEARS)</th>
<th>AGE (35 &amp; ABOVE)</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>MALE</td>
<td>FEMALE</td>
<td>MALE</td>
</tr>
<tr>
<td>Banker</td>
<td>135</td>
<td>120</td>
<td>108</td>
</tr>
<tr>
<td>CA</td>
<td>106</td>
<td>64</td>
<td>85</td>
</tr>
<tr>
<td>Doctors</td>
<td>60</td>
<td>76</td>
<td>153</td>
</tr>
<tr>
<td>Engineer</td>
<td>198</td>
<td>105</td>
<td>63</td>
</tr>
<tr>
<td>Home makers/Others</td>
<td>116</td>
<td>134</td>
<td>84</td>
</tr>
<tr>
<td>Lawyers</td>
<td>85</td>
<td>67</td>
<td>107</td>
</tr>
<tr>
<td>Teachers</td>
<td>67</td>
<td>112</td>
<td>73</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>767</strong></td>
<td><strong>678</strong></td>
<td><strong>673</strong></td>
</tr>
</tbody>
</table>

*Note: the respondents of particular groups were converted in percentage proportion for the purpose of data analysis.*

- The above sample size gives the **confidence level of 1.95**.
  
  Hence one can conclude that the Sample size is appropriate and fairly represents the universe.
3.7 TOOLS USED FOR DATA COLLECTION:

A pilot survey was conducted with over 100 respondents where the random convenience sampling method was used to select the respondents. The data was collected using a questionnaire in the city of Mumbai & extended suburbs. The survey probed the awareness & willingness of different groups through a common set of questions.

At Final stage this questionnaire was used to collect primary data from the target respondents applying convenience random sampling method of sample size of 2560 plus graduate individuals. Individuals were contacted with one to one interview method. Questionnaire (Annexure-IV) consisted of two parts as follows:

**Part A:**

- (Q1 to Q5) Questions based on the general awareness about the Consumer Protection Act.
- (Q6 to Q8) Questions based on willingness of respondents to act against rouged businessmen under the Consumer Protection Act.
- (Q9 to Q11) Confidence in the machinery of the Consumer Protection Act.

**Part B:** Simple daily life hypothetical situations were presented to the respondents & their responses to such situation which indicated their awareness and willingness or unwillingness to execute their rights as a consumer if and when required. The research has covered four major areas

1) Services
2) Food & Consumables
3) Electronic Goods
4) Advertisement.

The data collected was classified & tabulated. The data was represented in diagrammatic & Graphical form wherever required. The data was analysed using the statistical techniques.
3.8: HYPOTHESIS TESTING:

Various statistical tools are used to test our assumption with its alternative based on valid values. It helps to decide whether our assumption is true. In this Study the data has been captured on certain parameters. The following test have been applied for the purpose of testing the hypothesis.

- Z-testing Analysis
- Correlation Analysis
- Multiple Regression Analysis
- Multivariate Factor Analysis
- ANOVA Test– Analysis of Variance

Z TEST ANALYSIS:

Definition of 'Z-Test': A statistical test used to determine whether two population means are different when the variances are known and the sample size is large. The test statistic is assumed to have a normal distribution and nuisance parameters such as standard deviation should be known in order for an accurate z-test to be performed.

CO-RELATION ANALYSIS:

If two quantities vary in such a way that the movements in one are accompanied by movements in the other, these quantities are correlated. For example, there exist some relation between age of husband and age of wife, increase in rainfall up to point and production of rice.

The degree of relation between the variables under consideration is measured through the correlation analysis.
The measure of correlation called the correlation coefficient or correlation index summarizes in one figure the direction and degree of correlation. The correlation analysis refers to the technique used in measuring the closeness of relationship between the variables.

**Types of correlation**
Correlation is classified as positive and negative correlation.

Whether the correlation is positive (direct) or negative (indirect) would depend on direction of change of the variables. If the both the variables are varying in same direction i.e. one variable is increasing and other variable is on an average also increasing or vice versa correlation said to be **positive**.

If on the another hand variables are varying in opposite direction i.e., one variable is increasing and other is decreasing, correlation is said to be **negative**.

There are several mathematical methods of measuring correlation; Pearson’s coefficient correlation is most widely used in practice. It is denoted by the symbol ‘r’.

In practice such values of r i.e., +1, -1, 0 are rare. We normally get values such as 0.85, -.26 etc. i.e. between -1 and +1.

**MULTIPLE REGRESSION ANALYSIS**

When relationship between two or more variables is sought to be established we refer to it as multiple correlations analysis.

Multiple regression equation assumes the form

\[ Y = a + b_1 X_1 + b_2 X_2 \]

Where \( X_1 \) and \( X_2 \) are two independent variables and \( Y \) being the dependent variable, and the constant \( a \), \( b_1 \) and \( b_2 \).
MULTIVARIATE ANALYSIS (FACTOR ANALYSIS)

When simultaneously more than two variables of a sample are analysed we refer to it as Multivariate analysis. The inter-relationship in this analysis of variables are studied along with the study of mean, variance and some other characteristics related to univariate analysis. The main objective of the analysis is to estimate the extent or amount of relationship among the variables. These analyses depend on multivariate data observed on same occasion from sample individuals.

Accordingly, one needs to study the extent of relationship of dependent and independent sets. Also it needs the analysis of the structure of inter-relationships of the variables altogether.

Factor Analysis:

In the field of social research, the researcher usually investigates many variables to study the structural relationships which lead to draw conclusions about the population.

It enables to uncover the complex structure of relationship of a set of inter-related variables.

ANOVAS TEST (TWO WAY)

In our study answers of the different professions are cross-classified, from this cross-classification, it could be determined whether the mean of awareness of a profession varies for different professions. Such study would determine whether there is uniformity in the awareness of professions.

Analysis of Variance can be done in two ways:

a) One Way Classification

In one way classification the data are classified according to only one criterion.

b) Two way classification

Here two independent factors are simultaneously tested.
3.9: THE TOOLS FOR STATISTICAL FINDINGS:

1. **Minitab**

   IT is a statistics package developed at the Pennsylvania State University by researchers Barbara F. Ryan, Thomas A. Ryan, Jr., and Brian L. Joiner in 1972. Minitab is often used in conjunction with the implementation of Six sigma, CMMI and other statistics-based process improvement methods.

2. **SPSS Statistics**

   is a software package used for statistical analysis. Long produced by SPSS Inc., it was acquired by IBM in 2009. The software name stands for **Statistical Package for the Social Sciences (SPSS)**, SPSS is a widely used program for statistical analysis in social science.
3.10: UTILITY OF THE RESEARCH

1. To check if there is any correlation between the type of profession, their awareness & willingness to implement the consumer rights.

2. Understanding from conclusions derived the level of awareness in relations to their rights as a consumer being an educated mass.

3. To find out as to why violations are not pursued by the educated consumers.

4. To impress upon the stakeholders the need for pursuing consumer violations.

5. An attempt being made to arrest the violations by suggesting simple do’s & don’ts for the consumers before they make their final purchases.

6. Any need for amendments in the act in terms of the organizational structure, methodology to be applied for filing the consumer grievances.

7. Any need for amendments in compensation, fines, penalties, interest that will act as a deterrent for producer/seller/service provider & as an incentive for the consumers.
3.11: LIMITATIONS OF STUDY

The present study is based on the reliability of primary data. The sample unit selected was from diverse groups.

1) The area covered is a cosmopolitan city. The factors like age, sex, religion, culture, income impacting awareness/ willingness has not been considered.

2) The opinions of the respondents & interviewee are their perception at a given point of time. Hence its validity may be limited in terms of time.

3) The questionnaire may not be exhaustive.

4) The geographical area demarcate is only limited to city of Mumbai, Navi Mumbai, Thane (Urban & Semi Urban) its extended suburbs.