Chapter I

INTRODUCTION AND DESIGN OF THE STUDY

1.1 Introduction
1.2 Statement of the Problem
1.3 Review of Previous Studies
1.4 Objectives of the Study
1.5 Scope of the Study
1.6 Hypotheses of the Study
1.7 Operational Definition of the Concepts
1.8 Geographical Area Covered
1.9 Methodology
1.10 Construction of Tools
1.11 Sampling Design
1.12 Fieldwork and Collection of Data
1.13 Data Processing
1.14 Measurement of Variables
1.15 Framework of Analysis
1.16 Limitations of the Study
1.17 Scheme of the Report
1.1 INTRODUCTION

The three economic activities namely production, consumption and distribution center round the producers, consumers and beneficiaries of wealth distribution respectively. All the economic activities start and end with human beings. Every producer produces goods and services to satisfy the wants of his consumers. The term "wants" has many characteristic features, such as wants are unlimited, wants are recurring, wants are satiable and the like.

Every producer has to retain his/her existing consumers of goods and services and create prospective customers. If the consumers are satisfied the producer could continue his production activities without any hindrance.

In a market both producers and consumers have their roles to play. If both producer and consumer coexist their mutual interests will be protected. If there is any cleavage between the producer and the consumer there will be always a conflict of interests. The producer wants to reduce production cost but to sell at a high price, but the consumer wants to buy at a lower price. This conflict of interests affects the interests of both. Every market becomes imperfect in the sense that there are a few producers, a few consumers, different types of products, discriminating prices, poor quality, under-weighment, hoarding and profiteering. In such a situation the producers resort to protect themselves by organizing trade associations and chamber of commerce. The consumers protect themselves by organizing a strong consumer movement which includes consumer cooperatives, consumer legislation, consumer courts and voluntary consumer organisations.
The consumer cooperative in the nineteenth century was started by the Rochdale Pioneers of Great Britain to protect them from the exploitation of private traders. They laid down the basic principles of consumer cooperatives and later on many countries followed them by adapting them to their environment. The cooperative movement was started as a voluntary movement but later on the government entered into the working of the cooperatives by enacting co-operative legislations. Although the movement has made rapid strides in various countries of the world, the number of people brought under the fold of cooperatives is not very encouraging. But the cooperative movement has laid the basis for a sound consumer movement.

Following the consumer cooperatives, the governments of various countries enacted legislations to regulate the distribution of goods and services and protect the interest of the consumers and the producers with a view to protect the consumers. The success of these legislations hinges on the role of the Government and the people.

(During the 1950's organized efforts taken by individuals and institutions created an awareness of consumer rights) The consumers were made to understand their rights as consumers. The progressive democratic country, the U.S.A., was the first country to recognize consumer rights. It enacted legislation to protect consumer rights. Following the lead given by the U.S.A. many countries including India enacted separate legislations to uphold the existing rights and broaden the rights in tune with the changing needs of the consumers.
In response to consumer protection legislations many thinkers and political and social activists started organizing voluntary consumer organizations to protect the consumers under their fold. Today the consumer movement comprises of consumer cooperatives, consumer legislation, consumer courts and voluntary consumer organizations. The consumer movement is active where people have a high level of awareness of their rights and a desire to protect their rights. The consumer movement has made rapid progress in areas were the literacy level is high.

The Kanniyakumari District, the southernmost district of Tamilnadu, has a high literacy level. Hence the present study has been attempted in Kanniyakumari District.

1.2 STATEMENT OF THE PROBLEM

The consumers by their organized effort first started consumer cooperatives to protect themselves from the exploitation of private traders. The cooperatives started as a people's movement slowly entered the fold of the government. In many developing countries their governments' help to the co-operatives made the co-operative movement state sponsored.

Gradually there was a necessity for the government to intercede in the affairs of the consumer cooperatives. State partnership in consumer co-operatives made the consumer movement voluntary at the time of formation and they have to function within the framework of government regulations. As an evolutionary process the government spread its wings to protect the consumers.
In order to protect the consumers from the onslaught of private traders, the governments in various countries enacted various legislations guaranteeing supply of goods and services at reasonable price in standard weights and measures and free from adulteration. These legislations are implemented as any other piece of legislation. The speedy redressal of grievances was not possible due to the inordinate delay in disposing cases. The cost of judicial procedure was high and many consumers were not able to avail of this facility.

With a view to codifying the previous legislations into one legislation and to reduce the cost of judicial procedure, the Consumer Protection Act 1986 was enacted. This Act makes provision for forming voluntary organizations, for imparting consumer education and creating consumer awareness.

This Act provides for establishing consumer redressal forum at the District, State and National level. The consumer organisations and individual consumers can lodge their complaints with the consumer courts for redressal of their grievances.

India like any other advanced democratic countries has also enacted the Consumer Protection Act, 1986 to enable the consumers to be freed from the exploitation of traders.

This study has been undertaken in a district with people of high literacy level and social awareness. The empirical basis of this study will go a long way in protecting the interest of the consumers.
1.3. REVIEW OF PREVIOUS STUDIES

There are many research studies in the field of the consumer movement and consumer protection measures have been undertaken by individuals, government, voluntary consumer organizations and institutions. The researcher has referred to some of the important studies on consumer protection particularly relevant to the present study. The previous studies have enabled the researcher to formulate her study and prepare the research design.

J. Verhage George, has undertaken a study entitled “Knowing Your Rights” which explains how familiar consumers are with laws regarding marketing practices and to what extent consumers have a knowledge of their rights.¹

A. Saklani and S.A. Dhyani in their study entitled “Consumerism Builds Up; Marketers Beware” have concluded that while over 60 percent consumers are dissatisfied with the present-day standards of many durable and non-durable goods, only about half of them actually complain, and a little over half manage to obtain relief by way of product exchange or price refund.²

In an empirical research N. Thanulingam et-al observe that 46.7 percent of consumers are aware of consumer rights, 52.2 percent are aware of consumer protection measures and 42.5 percent have knowledge about the Consumer Protection Council, whereas 3.33 percent of consumers approach and complain to the Councils. But the study also indicates that none of the consumers has a membership in the Consumer Protection Council.³
A.K. Saxena conducted a comparative study of "Co-operatives in Indian and Western Countries". His study report concentrates on the Rochdale pioneers and their achievements. It analyses the growth of the Consumer Cooperative Movement in the U.K., the U.S.A, the U.S.S.R and Sweden. It also describes the development of Consumer Co-operatives in India.

A. Sarkar in his article entitled "Recent Trends in the Consumer Co-operative Movement" presents a brief analysis of the progress of the consumer co-operative movement in India.

R. Perumal in his study "Consumer Co-operatives in India- Problems and Prospects" highlights the problems of supply and distribution of goods by the wholesale stores to primary stores and suggests workable remedies to improve the functioning of the wholesale stores.

V.K. Agarwal in his study "Consumer Protection in India" presents a detailed discussion on the existing consumer legislations, and the working of the statutory enforcement machinery of the various Acts.

P.M. Baskshi in his study "Consumer Law and Voluntary Agencies" describes the need for legal literacy and guidance, and advises the consumer organizations to get the help of the media, so as to educate the common man.

E.A. Lizzy in her unpublished Ph.D. thesis "Women and Consumer Protection" highlights the role of women in promoting consumerism in Kerala. She also suggests the various measures for the speedy functioning of the CDRAs in Kerala.
N. Thangavel in his unpublished Ph.D. thesis titled “Consumer Rights: Law and Practice” submitted to the University of Madras in 1993, examines the awareness of consumers of their rights and laws, and consumer attitudes in dealing with consumer complaints.\(^\text{10}\)

T. Wells and E.G. Sim in their study report on women as consumers, describe the role of women as consumers and explain how they become the worst victims of injustice. The report suggests how community organizers and development workers can play an important part in bringing women together to talk about the problems they face.\(^\text{11}\)

J.L. Goldring and L.W. Maliar in their study entitled “Protection Law in Australia” highlight the various forms of redressal available to the consumers in Australia. The basic problems of the consumers and unfair trade practices have been discussed in detail by them.\(^\text{12}\)

R. Lowe and G.F. Woodrofe in their treatise on “Consumer Law and Practice” deal with the problems of consumers. The authors attempt an extensive analysis of the existing consumer protection laws in England, and have suggested measures for their effective implementation.\(^\text{13}\)

S. Pushpavanam in his article “Consumer Awareness” seeks to trace the genesis of the consumer movement and awareness in India and in Tamilnadu, analyses the scenario of the post-independence India till now, and discusses the spread and depth of the awareness in today’s India, and projects the prospective growth and development in this area in the next few decades.\(^\text{14}\)
P. Murugesan in his article entitled "Tamilnadu Leads in Consumer Movement" appreciates the commendable job of the Consumer Cooperatives in Tamilnadu in the distribution of consumer articles, in particular the PDS items.\(^\text{15}\)

P.V.S. Rama Rao in his article entitled "Consumer Protection: Myth or Reality?" points out that a concerted, united and organised stand by all consumer councils at all levels alone can really ensure that the goods or services that the customers get are worth the price they pay and that they can keep them happy in the long run; only then consumer protection becomes a reality; otherwise it remains a myth.\(^\text{16}\)

H.S. Anitha in her study entitled "Consumer Protection Still a Far Cry?" critically analyses the practical difficulties faced by the three-tier redressal agencies throughout India, and suggests remedial measures to solve the difficulties.\(^\text{17}\)

The study conducted by B. Venkat Rathnam on "Consumer Protection Measures" concludes that legislation alone cannot safeguard the interests of consumers. There should be more awareness, education, understanding and realization of rights and privileges on the part of the consumers. These factors alone will really help in building up a more effective consumerism in our country.\(^\text{18}\)

J.P. Chandra in his study "Consumer Rights" observes the frustrations and disappointments of the dissatisfied Indian consumers. He points out that it is the duty of the government to ensure legal support to consumers and to abolish unfair trade practices.\(^\text{19}\)

submitted to the Bharathidasan University, Trichy, in 1992 highlights the various methods by which consumers are exploited, and critically examines the effectiveness of the existing legal protection.\(^{20}\)

R. Selvadas in his unpublished Ph.D. thesis entitled “A Study on the Consumer Protection Movement in Kerala” submitted to University of Kerala, Trivandrum, in 1998, observes that a majority of the consumers are not aware of the consumer protection movement in general and the VCO and CDRA responsible for popularizing the movement in particular. He suggests that the government should include the subject of the consumer protection movement in the curriculum of education in schools and colleges.\(^{21}\)

S. Raja Mohan in his unpublished Ph.D. thesis entitled “An Appraisal of Consumer Protection Measures in Tamilnadu” submitted to the Gandhigram Rural Institute in 1997 has studied the origin and development of the consumer disputes redressal forum and the awareness among the consumers.\(^{22}\)

Chandrakant Sarma in his published Ph.D. thesis entitled “Role of Consumer Organization in Consumer Protection” has evaluated the performance of consumer organizations in enhancing consumer welfare and also has advanced a number of suggestions for improving the function of consumer organizations.\(^{23}\)

Gurjeet Singh in his study “Justice within Reach” critically examines the provisions of the COPRA and the rationale behind its enactment. The study discusses the impact of its working and suggests appropriate modifications to the statute.\(^{24}\)
M. Siddananda in his article “Consumer Protection in India and the Indian Consumer” suggests that the consumer would be able to get justice only if he makes a complaint with the authorities concerned. The success of the act depends upon the persons and the consumer organisations making the best use of the Act for achieving optimum justice for the harassed consumer community.25

P. Ramakrishna in his article entitled “Consumerism” calls for consumer education, and points out that the fundamental goal of consumerism would remain unattainable unless consumer protection is supplemented with consumer information and education. He also suggests that to develop consumerism as a strong force, the loopholes in the present consumer protection laws must be plugged immediately.26

M. Selvin Mary in her unpublished Ph.D. thesis entitled “Consumer Protection Laws in India – A Study on the Awareness of and Utilization by the Consumers in Madurai City” concludes that consumer education is an essential condition for creating awareness among consumers and ensuring proper utilization of the various consumer protection laws. She also suggests that a consumer information centre may be established in every taluk for the sole purpose of spreading consumer literacy.27

Deepa Sharma, in her published Ph.D. thesis entitled “Consumer Grievance Redressal Under the Consumer Protection Act” describes the composition, jurisdiction and powers of the consumer grievance redressal agencies set up under the CPA, and evaluates their working. She examines the related aspects of the mechanism of redressal of consumer grievances with the help of some leading cases on selected issues pertaining to consumer protection.28
1.4 OBJECTIVES OF THE STUDY

The objectives of the present study are given below:

1.4.1 To find the level of awareness of consumer rights and legal provisions among the woman consumers in Kanniyakumari District

1.4.2 To assess the extent of awareness of the consumer cooperatives in Kanniyakumari District

1.4.3 To assess the level of awareness of the functions of the voluntary consumer organizations

1.4.4 To study the working of the Kanniyakumari District Consumer Disputes Redressal Forum with regard to consumer protection and its awareness among woman consumers

1.4.5 To put forward recommendations to make the consumers aware of their rights and legal provisions

1.5 SCOPE OF THE STUDY

The present study aims at assessing the awareness of the woman consumers in Kanniyakumari District of consumer rights, consumer co-operatives, voluntary consumer organizations and the district consumer redressal forum. It covers the woman consumers of the entire district.
1.6 HYPOTHESES

For the analysis of the relationship between the awareness and the personal factors the following hypotheses have been formulated.

i) There is no relationship between the age of the sample consumers and their level of awareness.

ii) There is no relationship between the place of residence of the sample consumers and their level of awareness.

iii) There is no relationship between the marital status of the sample consumers and their level of awareness.

iv) There is no relationship between the occupation of the sample consumers and their level of awareness.

v) There is no relationship between the experience in home management of the sample consumers and their level of awareness.

vi) There is no relationship between the membership in associations of the sample consumers and their level of awareness.

vii) There is no relationship between the encouragement from the family members and friends of the sample consumers and their level of awareness.

viii) There is no relationship between the average monthly income of the sample consumers and their level of awareness.
ix) There is no relationship between the amount spent on purchasing essential goods by the sample consumers and their level of awareness.

x) There is no relationship between the reading habits of the sample consumers and their level of awareness.

1.7 OPERATIONAL DEFINITION OF THE CONCEPTS

1.7.1 Consumer

Any person who buys any commodity for a consideration; includes any user of such goods, but does not include a person who obtains such goods for resale or for any commercial purpose.

1.7.2. Goods

Goods include only the essential commodities.

1.7.3. Service

It means service of any description which is made available to potential users. It includes the provision of facilities in connection with banking, financing, insurance, transport, supply of electricity or other energy, entertainment, amusement, boarding and lodging and house construction, but the term does not include rendering of any service free of charge or under contract of personal service.

1.7.4. District Consumer Court

The District Consumer Disputes Redressal Forum established under Clause (A) of Section 9 in the Consumer Protection Act, 1986.
1.7.5. Magna Carta

It was the Charter of Liberties which King John II was forced to sign in 1215. It was said to be “the foundation stone of the rights and liberties of the English people.

1.7.6. Complainant

A person who raises a consumer complaint before the consumer court for getting redressal.

1.7.7. Members

The President and the other two members of the Consumer Disputes Redressal Agencies appointed by the State Governments are members.

1.7.8. Redressal

Setting right or rectifying a wrong either by paying compensation or repairing or replacing the goods or returning the price paid by the consumers is termed as redressal.

1.7.9. Defect

It means any default, imperfection or shortcoming in the quality, quantity or potency, purity or standard required to be maintained by or under any law for the time being in force in relation to any goods.
7.1.10. Deficiency

It 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 in relation to any service.

7.1.11. Hazardous goods

Those goods, which cause risk to the life and property of consumers when they are used, are called as hazardous goods.

7.1.12. Trial

An enquiry or examination in the consumer court is termed as trial.

7.1.13. Opposite Party

The person against whom the complaint is made is known as opposite party.

7.1.14. State Federation

A federation of consumer organizations established in the state is called as State Federation.

7.1.15. Buyman-ship

It means “be an alert consumer before purchasing.” The consumer must insist on getting full information of goods and services which will ensure a better purchase. It is an antidote to salesmanship.
7.1.16. Local authorities

Officials of the Consumer Welfare Department in the district are the local authorities established to protect the consumers.

7.1.17. Essential goods

Those classes of commodities those are essential, according to section 2 (a) of The Essential Commodities Act 1955.

7.1.18 Consumer Movement

It means the combined action of a group of consumers for protection of their rights.

7.1.19 Voluntary Consumer Organisation

An association of consumer activists to protect the interests of individual consumers and the public at large is a voluntary consumer organisation.

1.8. GEOGRAPHICAL AREA COVERED

The present study covers all the four Taluks of Kanniyakumari District such as Agasteeswaram, Kalkulam, Thovalai and Vilavancode. The district is a very famous tourist and pilgrimage centre in South India, and it attracts many people from India and abroad. The district has a composite of the diverse cultures of Kerala and Tamilnadu and the district symbolizes the rich and varied heritage of India. The Kanniyakumari District is endowed with people of high literacy and social awareness.
1.9 METHODOLOGY

The study is empirical one based on the survey method. The primary data were collected from the field directly, that is from woman consumers, with the help of an interview schedule designed to assess the level of awareness of their rights, consumer cooperatives, voluntary consumer organizations and the consumer court in the district. The secondary data were collected from books, reports, journals, seminar papers and unpublished documents related to the consumer movement.

1.10. CONSTRUCTION OF TOOLS

The interview schedule used in this study has been structured in five parts by the researcher herself (vide Appendix B). The first part contains questions relating to personal data such as place of residence, age, marital status, experience in home management, membership in associations, average family income and mass media exposure. In the remaining four parts Likert’s five point statements are given to assess the level of awareness.

With a view to identifying the variables for the study, the researcher did an in-depth review of the previous studies related to the topic. The researcher had a trial interview with consumer activists, office bearers of voluntary consumer organizations and members of the Kanniyakumari District Consumer Disputes Redressal Forum.

In the light of the information gathered the researcher prepared the first draft of the interview schedule. The schedule, so drafted, was circulated among five faculty members and five consumer activists for their critical comments. In view of their comments, the interview schedule was once again revised and then finalised. Then the
interview schedule was pre-tested with 10 woman consumers. Irrelevant questions were deleted and structures of some questions were modified.

1.11. SAMPLE DESIGN

Sampling techniques have been applied for the collection of primary data. Kanniyakumari District has a total population of 16,69,763 out of which 8,29,542 are males and 8,40,221 are females. Among the male population 7,53,888 (90.88 per cent) are literate and among the female population 7,17,381 (85.38 per cent) are literate.

The woman consumers in the district consist of employees in the State and Central Governments, employees in the public and private sector undertakings, workers in shops and establishments, and agricultural labourers and domestic servants. A considerable number of the woman consumers are housewives and students.

The study involves basic knowledge of consumer rights, the role of consumer cooperatives, voluntary consumer organizations, and the Kanniyakumari District Consumer Redressal Forum. Therefore, a moderate level of literacy is essential to go into the various aspects of the study.

Since the female population is considerably large in size, it is not practicable to collect data from the whole population within the time limit. Therefore, a sample of consumers representing the five categories such as professional people, postgraduate teachers, graduate administrators-cum-employees, graduate housewives and students were selected by applying a convenient sampling technique. The data were collected from the sample of 150 respondents.
1.12. FIELD WORK AND COLLECTION OF DATA:

The field work for the study was carried out by the researcher herself. It was conducted from March 2001 to June 2002, covering a period of 15 months.

The personal interview method was adopted to collect the primary data. Permission was obtained from the authorities concerned for conducting interviews with the employees and teachers during leisure hours.

The completed interview schedules were checked and the omissions were rectified on the spot.

1.13. DATA PROCESSING

After completing the data collection, a thorough checkup of the data was made and necessary editing was done. Afterwards a master table was prepared indicating the necessary data to be included for analysis. With the help of the master table the data were transcribed on transcription cards. Then classification tables were prepared for further analysis and interpretation. The processing of data was done with the help of a computer.

1.14. MEASUREMENT OF VARIABLES

The dependent variables of the study are the awareness of the woman consumers of consumer rights, their awareness of consumer cooperatives, their awareness of voluntary consumer organizations and their awareness of the consumer court.

The independent variables of the study are the age of the woman consumers, their place of residence, their occupation, their marital status, their experience
in home management, their membership in any association, their reading habits, the encouragement from family members and friends, the average family income per month and the amount spent for purchasing essential goods.

The extent of the awareness of consumer rights, consumer cooperatives, voluntary consumer organizations and consumer court has been measured with the help of a scale constructed on the basis of statements developed and given to the sample consumers for their responses. The statements used for measuring the awareness of consumer rights of the consumers are given in Appendix C.

The statements given to the sample respondents to elicit their awareness of consumer cooperatives are listed in Appendix D.

The statements to assess the awareness of the consumers of the voluntary consumer organizations are shown in Appendix E.

Appendix F displays the statements identified for the measurement of the awareness of the consumers of consumer court.

For all the statements in the appendices – C, D, E, F, a five point scale, starting from “strongly agree” (5 points), “agree” (4 points), “neither agree nor disagree” (3 points), “disagree” (2 points) and “strongly disagree” (1 point) has been devised.

The total scores allotted to the awareness of the sample consumers for consumer rights are (24 x 5) 120. The total scores worked out for the awareness of sample consumers of consumer cooperatives are (20 x 5) 100. The total scores of the sample consumers for awareness of the voluntary consumer organizations are (20 X 5)
100 and the total scores of the sample consumers for the awareness of the consumer court are (20 X 5) 100.

1.15. FRAMEWORK OF ANALYSIS

The data collected have been analysed with the help of the computer keeping in view the objectives of the study. For the purpose of analysis statistical tools like average, percentage and chi-square test have been used. The chi-square test has been applied to examine the variations in the opinions of the respondents. With a view to measuring the level of awareness an "awareness scale" has been constructed and used.

Two-way frequency tables have been constructed to categorise the different levels of awareness as low, medium and high.

1.16. LIMITATIONS OF THE STUDY

The study is mainly based on the primary data collected from woman consumers. It excluded uneducated women, even though they form the bulk of the consumer population, for the reason that they may not be well aware of the various measures undertaken to protect the consumers.

1.17 SCHEME OF THE REPORT

The study comprises of five chapters.

The first chapter, "Introduction and the Design of the Study", deals with the introduction, the statement of the problem, a review of previous studies, the scope of the study, the objectives, the hypotheses, the operational definition of concepts, the geographical area covered, the methodology, the construction of tools, the sampling
design, the fieldwork and the collection of data, the data processing, the measurement of
variables, the framework of analysis, the limitations of the study and the scheme of the
report.

The second chapter throws light on the historical perspective of the consumer movement in the U.K., the U.S.A. and India. It gives a detailed account of the consumer movement in India, especially Tamilnadu, and the role of the Consumer Cooperatives and voluntary consumer organizations with the focus on Kanniyakumari district.

The third chapter brings out the extent of the awareness of woman consumers of consumer rights, consumer cooperatives, voluntary consumer organizations and consumer court in the district.

The fourth chapter analyses the ten socio-economic factors and their influence on the awareness of the woman consumers.

The fifth chapter discusses the findings and conclusions of the study. It also presents various suggestions for improving the awareness of the woman consumers.
REFERENCES


