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CHAPTER – 1
INTRODUCTION

Background :-

It has been observed from several centuries in various civilisations of the world that the consumers were exploited through various unfair, unlawful, unethical and exploitative business practices. In the economically advanced countries, consumers have achieved greater awareness about their rights. As a result of the same they became assertive, raised their voices effectively against corporate neglect and unjust government actions. They could also bring about favourable changes in legal framework affecting consumers’ interest. In contrast to the aforementioned state of consumer movement in developed countries, Indian consumers’ movement has yet to reach the height of consumer interest compared to developed nations. The consumers in India are greatly unaware of their legal rights as consumers. Even the educated consumers are highly uninformed about the legal remedial actions against exploitation. There are too few consumer associations to cater
to the needs of a large population of consumers spread throughout the country and their number of problem areas.

A strong consumer protection movement is the real need of an hour for the country like India where there is an ever increase in population struggling hard to satisfy their basic needs.

1.1 Importance of Consumer Protection Research in India:
Here the word “Consumer Protection Research” is used purposefully to highlight the issues of consumer protection in “Consumer Research”, or “Consumer Behaviour” or “Consumer Psychology” which is still to gain its due importance in the aforementioned subjects by the academicians, corporate houses and governments alike. Until recently the focus of the above subject was only on analyzing the behaviour of consumers, which is aimed at psychologically influencing them in early buying and that too in more than the required proportion.
The population of the country is more than 900 million as per 1996-97 data (See Appendix After Chapter-3) and every individual is a consumer and each consumer has a specific budget to spend on their necessities, comforts and luxuries. Furthermore, the scarcity of supply of goods on one hand and a very high demand for goods on the other has created a sellers market where the sellers dominate the entire market. There are trade associations and their federations to guard the interest of business community. The business community can afford to retain best consultants to solve their problems. They are able to exploit all advertising media to boost their sales by influencing the consumers.

Under the circumstances a strong consumer movement is highly essential, looking to that, consumer protection research should be considered as an important part of consumer research. It is high time when a study on consumer protection focusing its various dimensions should be conducted and given a top priority before it is very late.
1.2 Objectives of the Study:

The thesis aims at achieving the following objectives:

1. To study the concept and development of consumerism on global, national, and Gujarat level.

2. i) The consumer awareness survey is considered here to study broad areas such as demographic characteristics, family budget break-up, buying behaviour, consumer's attitude towards their exploitations and their views on consumer movement.

The main object of these study is to know the awareness level of various consumer strata and consumer reactions and consumer movement.

ii) A survey on Consumer organisations' response to consumer protection was undertaken where major areas considered are profile of consumer organisations, activities and problems of consumer organisation, consumer grievances handled by consumer organisations, views of consumer organisations about the contribution of the business
The main objective of this survey is to review the problems, activities and experiences of consumer organisations.

iii) The third survey undertaken is about corporate response to consumer protection. The responses were collected from corporate houses, manufacturing or marketing non-durable consumer products in Gujarat. The broad areas studied are: the profile of corporate houses, their policies, attitudes and views with reference to Product, Price, Promotion, Distribution, Consumer Grievances and Consumer Protection in India. The main objective of this survey is to evaluate problems, perception and contributions of corporate houses towards consumer grievances and consumer movement.

In the above three surveys several useful findings are obtained regarding consumer awareness, consumer rights, legal protection
available to consumers and their willingness to pursue their grievances and complaints.

1.3 Research Methodology and Areas considered for Present Work:

The canvas of this study has mainly two dimensions of research:

1. Exploratory research
2. Empirical research

1. Exploratory Research:

The study considers three aspects of exploratory research:

a. It highlights development of consumerism concept along with literature on consumerism on a global scale, which can help in understanding the consumer movement in India.

b. We have also explored the existence of consumer protection concept in ancient and medieval India. Consumerism in modern India comes next in the
sequence. As legal dimensions of consumer protection in India occupies a special significance, due focus is provided to the same. Some important acts protecting consumer interest are discussed with reference to its role in consumer protection.

c. We have also given significant attention to the study of evolution and growth of consumer protection movement in Gujarat. This part of the study describes the contribution of Government, business community, consumer activists and consumer organisations in promoting consumer interest.

2. Empirical Research:

Here we have evaluated three facts of consumer protection:

a. In depth study of consumer awareness which have provided us encouraging details and a further insight in to the problems of consumer protection in Gujarat:

b. We have also undertaken another study to review the corporate attitude towards consumer protection with reference to their product strategies, pricing policies,
promotional efforts, distribution techniques, redressal of consumer grievances and their perception about consumer movement in the country.

c. Consumer organisations' attitude towards consumer protection.

This study reveals the organisational profile, main problems activities, experience, achievements and participation of consumers in the activities of consumer organisations.

The entire study includes wide range of areas, which are treated with objective evaluation, and the narration is in a logical sequence. The sources of information are highly authentic and reliable, and the suggestions are thought provoking and may prove useful. The entire study is of an appropriate blending of ideological, theoretical and practical basis.
1.4 Motivation for this Study:

In India a large population is illiterate and is below the poverty line. Their every rupee is precious. Moreover, there is a large consumer market and various products are available in multiple varieties. The consumers are exploited in several ways in India. As there are very few consumer interest groups and the consumer movement is progressing at a very slow pace, we were motivated to work in this area.

Moreover, the consumers are attacked by aggressive multi-crore advertising campaigns through several advertising media and offerings of countless products; the consumers are not able to make rational choice and to set a priority of their needs. Moreover, besides low level of formal education the consumers are also unaware about their rights, and are ignorant about the art of rational buying and therefore it was considered necessary to study various dimensions of consumerism.

In India there is dearth of quality information on consumer movement, consumer orientation, consumer protection, consumerism, etc. Hence it has been observed that working on this area would certainly lead to some useful contribution in the
academic field which may also prove useful to various segments of the society such as Governments, consumer activists and consumer organisations, trade and industry, mass media and may enrich the subject and thereby motivate future researchers to work in this area for the cause of consuming society at large.

The purpose of every branch of knowledge is the development of mankind and we hope this work would prove useful in the society.

The literature available in Indian context is required to be in a systematic and organised form and require consolidation. Hence, an attempt is made to study various dimensions of consumer protection.
1.5 Challenges in undertaking this Research:

Consumerism in India was in its early infancy when we commenced this study. As very little work was done, we had to infer from several events and study the relevant details. At times we had to refer the original government resolutions, annual reports of ministries, government gazettes, newspaper reports and personal visit to various departments, and discussion with consumer activists.

As secondary data according to the requirement of the study was not available, we thought it worth while to conduct three empirical studies to evaluate mainly

i. Consumer awareness

ii. Corporate response to consumer protection

iii. Consumer organisations' response to consumer protection.

These studies were conducted by interviewing the respondents on the basis of a questionnaire. It was a time-consuming project especially while dealing with corporate houses.
Questionnaires were sent by mail to 100 corporate houses manufacturing or marketing non-durable consumer products of popular brands. Though received very few responses, we pursued the matter by approaching personally and requested the corporate houses to co-operate in this study and finally were able to collect 30 multi product companies responses. We faced this difficulty because some of them were not ready to part with their information.

Details of consumerism in developed countries can be made available if an in-depth inquiry is made in the study but in case of consumerism in India, very little academic research and consolidated work is done. The information is available from developed countries may be due to their efforts in proper and permanent documentation of programmes, seminars, conferences, etc. But, in India though some eventful programmes are organised but the importance of its documentation is not done. Hence, for the research of this kind, searching appropriate literature becomes a Herculean task.
1.6 Organisation of Thesis:

This entire study is organised in eight chapters.

Chapter – 2 deals with the concept of consumerism. Efforts are made to identify the stages of the development of the concept followed by literature survey and events that are landmarks in furthering consumerism.

Chapter – 3 deals with the historical perspective of consumerism in India starting from ancient literature, this part of the chapter is followed by some details of consumer protection in medieval and modern India.

Chapter – 4 deals with the legal framework of consumer protection in India. The chapter highlights the some consumer protection laws, and their impact on consumer protection.

Chapter – 5 studies the evolution and growth of various facts of consumer protection in Gujarat State.
Chapter – 6 includes three empirical research projects to measure mainly:

i. Consumer awareness

ii. Corporate response to consumer protection, and

iii. Consumer organisations’ response to consumer protection.

Chapter – 7 highlights the evaluation of consumer protection in Gujarat. This chapter is based on the exploratory research and empirical research on consumer protection in Gujarat.

Finally, in Chapter – 8 we have presented some suggestions to consumers and other individuals, consumer organisations and other voluntary organisations, Government, trade, industries and employees associations for the cause of consumers. We have also identified some areas for further research.