CHAPTER 1
AIM AND METHODOLOGY

India being a developing country, is eager to promote industrial development with social justice. The unfair trade practices of the traders community adversely affect the free trade and commerce and, harm the consumers. The consumer in any country is interested in (i) getting a fair deal in the market place in terms of price and quality; (ii) making a wise, informed choice; (iii) simplifying his decision process over time by developing trust and confidence in products and marketing methods and (iv) easy and timely availability of products and services. Therefore, in a highly competitive economy, there is need for education for the consumers so that they get due returns from the amounts they spend.

THE PRESENT STUDY

Despite various amendments, the consumer legislations in India failed to protect the ultimate consumers from defective goods or deficient services, overcharging of prices and unscrupulous exploitation. Thus, for the first time in the history of the socio-economic legislation of this country, a comprehensive legislation, namely, the Consumer Protection Act, 1986
has been passed to provide for better protection of the interests of consumers with main thrust on giving speedy redressal and compensation to the consumers. The Act has given a new dimension in the field of consumer protection in India.

However, the subject of consumer protection has not received much attention from the academicians. There is a dearth of curriculum on consumerism and genuine literature on the subject. There is not even a single course of study which deals with the subject in a comprehensive manner in Indian Universities even though 'Right to Consumer Education' is one of the rights conferred on consumers as per the Consumer Protection Act.

It is becoming increasingly difficult for the consumer to make a rational choice as he is dominated by sellers' advertisement strategy. Adequate information, particularly relating to products' prices and quality, should be continuously disseminated. The low level of literacy is a major constraint on consumers in India. It should be realised that merely providing and disseminating information is not enough. The consumer must know how to utilise this information. Studies have
revealed that the additional information is often ignored or misunderstood, especially by those who were expected to benefit most from its use such as the poor and the disadvantaged. The consumer education should, therefore, teach the consumer how to seek, use and evaluate consumer information so that it ensures the 'best buy' in relation to their resources, values and life-styles.

It is a mistake to think that consumer education goes against the interests of the producers. Far from that, it will preserve and promote loyalty of the consumers towards products. Case studies revealed that the charts and booklets did not only achieve a 'conversion' to the use of a particular product, but they also helped in retaining the loyalty of the user against competitive efforts. Consumerism and Consumer Education assume special significance for two important reasons:

(i) Consumer welfare is thecorner-stone of business. The reason is simple viz., more satisfaction induces regular market for commodities and

(ii) by promoting socially desirable consumption pattern a country could march towards a better,
highly integrated social and economic development.

It may be of interest to note that this is the first of its kind study has ever been undertaken in this country.

OBJECTIVES OF THE STUDY

The following objectives are set for the study:

(i) To describe the growth and origin of consumer movement in India.

(ii) To trace out the various factors leading to consumer movement in India.

(iii) To explore the concepts of consumer education and consumer research in the aid of consumer protection by developing linkages with research in commerce subjects.

(iv) To explore the model concept of faculty brain for consumers gain especially through research in commerce on consumer related problems.

(v) To study the various problems and offer solutions.
METHODOLOGY

The data needed for the study are collected from the primary as well as secondary sources. The primary data consist of the information relating to conceptual framework of faculty brain for social gain. The information stems from the results of the experimentations already conducted by the commerce faculty of Sri Krishnadevaraya University as part of its extension work in the aid of consumers who are well related to the subject of commerce.

The data are also collected from various secondary sources like books, journals, legislative and Working Group reports on the subject.

SIGNIFICANCE OF THE STUDY

The present study is a modest attempt in the direction of creating awareness among the universities, institutions and scholars of various disciplines in respect of the need for developing pertinent educational and research inputs for the purposes of a consumer protection.

The study is significant because it focuses the various methods of research in the subject of commerce
on how to combat problems like black marketing, and other manipulations of markets.

The study becomes important since it aims at basically educating and equipping the consumers with the necessary knowledge relating to Consumer Protection Act.

Unless the consumers are educated enough about the type of protection they are guaranteed under the Consumer Protection Act, the objectives of this legislation like cost-free and speedy justice cannot be achieved. Hence the importance of this study. There are several ways in which the government may achieve these objectives. It may regulate licenses and permits for production of the goods. It may prohibit withholding from sale any essential item ordinarily kept for sale. It may require the manufacturer or stockist to sell the whole or part of the stock to the Government. There are a number of other ways the Government may take action under Section 3 of the Act. But the efficacy of any Act depends upon how best people can make use of the provisions of such Acts. Added with the people’s awareness, legislations will become more useful in the direction of consumer protection as well as upholding people’s rights. Since the present study strives to create such awareness, it becomes all the more imperative.
The study also reveals the various aspects and factors leading to consumer movement in India and enlightens the salient features of Consumer Protection Act.

The study has several implications since the consumer education makes the people responsible citizens and it forces them to demand value for the money paid, quality, service and satisfaction, thus, safeguarding them against exploitation.

SURVEY OF LITERATURE

The study is based on primary data consisting of conceptual ideas based on practical experimentations. However, some literature has been collected from the following studies.

Nageshwar Rao\(^1\) stated that consumer education makes the consumers as responsible citizens and demand value for the money paid, quality, service and satisfaction. It safeguards people against exploitation. Narayanaswamy\(^2\) concludes in his study that once

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consumers become more knowledgeable they can easily resist any anti-consumer move besides being wise and prudent in their money management.

Agarwal\(^3\) advocated in his study that it is necessary that proper machinery be set up by the Universities for going-into the complaints and grievances of students and others ensuring the observance of the principle of natural justice. Sundaram\(^4\) opined that as most tribal people are illiterates the radio and television should be used for educating them about the facilities available under public distribution system.

V.K. Agarwal\(^5\) in his study observed that the various amendments to the consumer legislations in India have not yielded any satisfactory result. P. Leelakrishnan\(^6\) concluded in his study that in spite of the plethora of


measures, legislative and administrative consumer protection still remains a mirage and consumer sovereignty a myth. Ross Cranston concluded that consumer awareness if at all is to be seen only among those who constitute the middle-class of the society. Even among them, only a very few would find time have the resources to complain and seek redressal.

R. Muniraj stated that, customers are becoming more aware, better educated, more unwilling to be treated generically. H.L. Verma and Mahesh Chand Garg observed that illiteracy, poverty and extremes of material and social deprivation tend people to lose impulses of awareness and motivation, which ultimately make them weak, isolated vulnerable and powerless.

Sherlekar stated that the consumer movements existing now (in India) were few and weak against the


giant manufacturers and traders and in their fight against 'unfair' trade practices they often lost due to lack of funds and official support. Kalpana\textsuperscript{11} stated that educating young people to be savvy consumers has never enjoyed a high priority in these educational institutions. Indeed they have been more concerned with teaching people how to be successful producers, business executives, accountants, auditors, company secretaries and so on.

Purushothaman\textsuperscript{12} stated that frequent business' failure to respond the consumer demand for better products and market practices results in the organisation of a strong consumer movement. Trivedi\textsuperscript{13} concludes that every one is well aware of these open and also other hidden problems being faced by consumer co-operatives but feels helpless at his own level for finding out a workable and practical solution.

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\textsuperscript{11} Kalpana, Making Consumerism a Movement, \textit{Yojana}, June 15, 1992. \\
\textsuperscript{12} Purushothaman, R.A., Expansion of Consumer Demand, \textit{Indian Consumer Co-operator}, September, 1983. \\
\textsuperscript{13} Trivedi, B.B., Consumerism & Leadership, \textit{Indian Consumer Co-operator}, November, 1983.
\end{flushleft}
Thanulingam\textsuperscript{14} said that every consumer should be taught how to make intelligent choices, and develop the art of becoming a skilled consumer. Every consumer should learn the importance of being an efficient user of goods and services. Thomas\textsuperscript{15} stated that in India the Government has a very significant role in meeting the aspirations of the consumer in relation to his basic needs. Subramanyam, Ram Prasad\textsuperscript{16} concluded that the general impression is that many of the consumers in India are not conscious of the problems faced by them with regard to the distribution as well as functioning of the goods available in the market.

Antony\textsuperscript{17} stated that on the one hand consumers are not aware of their rights and on the other, traders outmaneuver them with money influence and lawyers.

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\item \textsuperscript{14} Thanulingam, N., Consumerism an Co-operation, The Tamilnadu Journal of Co-operation, February, 1986.
\item \textsuperscript{15} Thomas, T., Consumerism and Opportunity for Industry, Indian Journal of Marketing, July, 1977.
\item \textsuperscript{16} Subramanyam, D.A.R., Ram Prasad, Need for Consumer Organisations, Indian Journal of Marketing, June, 1982.
\item \textsuperscript{17} Antony, M.J., Consumer Rights, (Delhi: Claim Books, 1990).
\end{itemize}
Anand Swarup concludes that considering the challenges facing us, it is imperative that we should judge our colleges and universities from the viewpoint of value addition to the capabilities of students entering their portals. Chowdary concludes in his study that the task of communicator in training will not be easier when audio-visual equipment and programmes are used but it will make the task of learning more effective and the objectives of a training programme will be met with greater success.

Krishna Iyer felt the necessity of leadership from among the common people to reach consumer protection movement to the poor who need more protection. Shenoy concluded that even after forty-five years of political freedom, economic freedom remains a mirage, as it results in, both the rich and the poor are unable to exercise their consumer rights.

Sreya Chiravuri stated that as competition hots up in liberalised market, an increasing number of companies are desperately seeking means to retain customer loyalty with the right image. Upendra Baxi stressed that a good educational system is one which instills a sense of fairness and an ethic of social responsibility among its consumers.

Mehta stated that strange as it may seem most consumers do not know that the law is on their side. It is for the consumer to enforce the provisions of law by vitalizing enforcement. The machinery is available. It has to be used effectively. Rebello cautioned that unless the consumers continue being alert and interested in protecting their interests, businessmen, traders and advertisers would once again become immersed in themselves and forget their consumers.

Neelam Alwin stated that the consumers will be rightly benefited only when the law makers protect the consumer interests without any regard to vested interest of various factions.

William and Ferreil conclude in their study that consumer education programmes teach such things as the major factors that should be considered when buying specific products such as insurance, real estate, automobiles, appliances, furniture, clothes, and food; the important features of credit agreements, contracts, and warranties; high publicity of the provisions of certain consumer protection laws, is needed so that students can become well-informed consumers.

The Second Working Group (constituted by Government of India) recommended for adoption of consumer protection into the syllabi, of schools and

colleges and it stated further the UGC should be approached to give a directive to all colleges to incorporate consumer education in the college syllabi.

R.G. Sharangpani, S. Parthasarathy, B.W. Khalkar stated that since 50's, commerce education in India has come a long way. Beginning with the task of producing accountants, it has now entered the era of producing managers and entrepreneurs. However, the basic contents of the courses imparted and the approaches to train the students have by and large remained static.

Narayana emphasised that the theoretical courses and practical training should have a harmonious bend. Gosavi dealt with a number of experiments that have been conducted in the last two decades with the sole purpose of revitalising commerce education.


Hanumanthappa\textsuperscript{32} stated that practical training at the U.G. level should be such that further training at the higher professional level becomes a natural extension. Facilities for practical training may be provided at the college itself.

Gosavi\textsuperscript{33} advised that each college can run diploma and certificate courses making use of the evening time and the facilities and help themselves by adopting the system of self-funding concept.
