

Consumer Awareness

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ABSTRACT

A consumer is one who Purchases and utilizes goods and services in lieu of a price paid to producer. Consumer is the real deciding factor of all economic activities. Even Mahatma Gandhi said, "The Customer/consumer is the most important visitor on our premises. He is not dependent on us. We are dependent on him. He is not an interruption on our work. He is the purpose of it. He is an outsider on our business. He is the part of it. We are not doing g him a favour by serving him. He is doing us a favour by giving us an opportunity to do so." An aware consumer not only protects himself from exploitation but induces efficiency, transparency and accountability in the entire manufacturing and service sector. Realizing the importance of consumer empowerment, the Ministry of Consumer Affairs, Food and Public Distribution has accorded top priorities to consumer education, consumer protection and consumer awareness. Consumer Awareness is about making the consumers aware of his/ her rights. It is a marketing term which means that consumers are aware of products and services, its characteristics and the other marketing P's (place to buy, price and promotion).The Consumer Protection Act, 1986 is the most important legislation enacted to provide for effective safeguards to consumers against various types of exploitations and unfair dealings and in 2005 the Govt. of India started a national campaign "Jago Grahak Jago" to create awareness among consumers. An enlightened consumer is an empowered consumer.The success of consumer movement mainly depends upon the level of consumer awareness generated in the country by educating the consumers about their rights and responsibilities.

INTRODUCTION

Consumers Unite, Fight for Your Rights, Put an End To adulteration, Say no to Deceptive Advertising, Grow as Green Consumers, Achieve sustainable consumption , JaagoGrahakJaago Are the few slogans and advertisements that keep on flashing on TV screens, hoardings and Newspapers. The most talked about topic i.e creating consumer awareness.

To satisfy various wants people purchase goods and services by paying price. But what to do if the goods and services bought are found out to be bad in quality or unreasonably priced or measured less in quantity etc. In this age if capitalism and globalization the main objective of each producer is to maximize his profit. In each and every possible way the producer are trying to increase the sale of their product. Therefore in fulfillment of their aims, they neglect the interest of the consumers and start exploiting them by performing unethical deeds like Overcharging, underweighting, selling of adulterated and poor quality goods, misleading the consumer by giving false advertisement. Thus in order to protect himself from being cheated, it is necessary for a consumer to aware and realize that they do have responsibilities not just rights.

□ Who is a Consumer?

- "A consumer is one who Purchases and utilizes goods and services in lieu of a price paid to producer."

□ What are Product, goods and services ?

- "A **product** is anything that can be offered to a market for attention acquisition, use or consumption that might satisfy a want or a need. It Includes physical Objects, services, persons, places, organization and ideas."
- "A **good** is something you buy and consume. Goods are the things that you can keep, eat and use. They are tangible in nature. E.g. If you go to a store and buy an apple, you get to keep the apple and take it home with you, so it is a good."

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- “A **service** is something that someone does for you. When you buy a service you hire people to perform it. It is intangible in nature. For e.g. a haircut, car service.”

Consumer is the real deciding factor of all economic activities. Even **Mahatma Gandhi** said, “The Customer/consumer is the most important visitor on our premises. He is not dependent on us. We are dependent on him. He is not an interruption on our work. He is the purpose of it. He is an outsider on our business. He is the part of it. We are not doing g him a favour by serving him. He is doing us a favour by giving us an opportunity to do so.”

An enlightened consumer is an empowered consumer. An aware consumer not only protects himself from exploitation but induces efficiency, transparency and accountability in the entire manufacturing and service sector. Realizing the importance of consumer empowerment, the Ministry of Consumer Affairs, Food and Public Distribution has accorded top priorities to consumer education, consumer protection and consumer awareness.

Consumer Awareness is about making the consumers aware of his/ her rights. It is a marketing term which means that consumers are aware of products and services, its characteristics and the other marketing P's (place to buy, price and promotion). Consumer Awareness can be defined as :-

1. The knowledge of the product purchased by a consumer in terms of its quality.
2. The education about the various types of hazards and problems associated with marketing of a product.
3. The knowledge about consumer rights. This means that **first** the consumer must know that he/she has the right to get the right kind of product. Secondly, if the product is found out to be faulty in some manner the consumer should have knowledge of claiming compensation as per the law of the land.
4. The knowledge about the consumers on the responsibilities. This implies that consumers should not indulge in wasteful and unnecessary consumption.

The Consumer movement began in England after the second world war, a modern declaration about consumers rights was first made in United States of America encouraged by the president John F Kennedy in 1962, where four basic consumer rights (Choice, information, safety and to be heard) were recognized. Ralph Nadar, a consumer Activist is considered as a “Father of Consumer Movement”. March 15 is celebrated as the world Consumer Rights Day.

The United Nations in 1985 adopted certain guidelines to achieve the objectives of maintaining protection of Consumers and to establish high level ethical conduct for those engaged in production and distribution of the goods and services.

In India, the concept of the consumer protection is not new. References to the protection of the consumer's interest against exploitation by trade and industry, underweight and measurement, adulteration and punishment for these offences, were made in Kautilya's ‘Arthshastra’.

NEED OF CONSUMER AWARENESS

The market today is flooded with very large number and varieties of goods and services. The number of producers and final sellers of the commodities have also increased many folds. So it has become very difficult for the customers to identify the genuine producers and sellers?

Consumers don't get a chance to personally come in contact with a producer or seller. Moreover with advancement in information technology the physical distance between consumer and producer/seller has also increased a lot. Now consumers can get their commodities at door steps merely by a click on the phone i.e online shopping.

The market is flooded with large number of brands, which creates a chaos in minds of customers; which product is genuine and offers superb quality and which is not. Moreover the producers try to befool the customers. Producers try to position themselves in the minds of customers through various promotional events like advertising, hoardings, posters etc. But at

times they don't impart complete and genuine information to the customers. People have a misconception that product which has appeared in some advertisement must be good or the producer whose name is known through advertisement must be selling the right product. But this may not be true always as much information is deliberately hidden in certain advertisements to mislead the consumers.

In case of packed food products and medicines, an expiry date is mentioned which implies that the particular product must not be consumed after that date as it becomes harmful for health of the consumer. Sometimes it so happens that either such information is not provided or the seller deliberately do not give the information since the consumer did not ask for it or notice the inscription written on the product.

Consumer buys goods and services without taking the bill or the seller does not provide the bill. This is done to avoid paying tax on the product to the government. Such a tax is value added tax (VAT). Creating awareness among the consumers will lead to saving the money, improve the quality of the goods purchased, or in economic terms we can say increasing the chances of being on higher (better) indifference curve. Poorly informed Consumer will spend more money on the products that provide less utility to consumers, creating both social and private loss. Also it will create awareness about the importance of taxes that will contribute to the economic growth and revenue of the nation.

The government through consumer awareness program is taking the responsibility and ensuring the well being of all its people so that everybody lies happily getting the maximum benefits from limited resources. In this context all the consumers should possess enough knowledge and awareness regarding goods and services they are consuming are not substandard or the price they are paying for the same are not high. Only by creating consumer awareness among the people, the country as a whole can enjoying maximum benefits uniformly without anybody getting deprived from what they naturally deserve

Thus we can say that consumers also need to act more responsibly because every member of the society is a consumer. So if the consumer is aware and rationale, the complete society becomes healthy and alert towards their rights.

Some of the common methods of exploitation are:

1. Underweight and under measurements- not measured or weighed correctly.
2. Substandard quality- defective home appliances and medicines beyond expiry date.
3. High prices- charging above the retail price.
4. Duplicate Articles- selling fake items in the name of the original.
5. Adulteration and Impurity- is done to get higher profits.
6. Lack of safety devices- absence of inbuilt safeguards in appliances.
7. Artificial scarcity-hoarding and black marketing.
8. False and incomplete information-misleading information on quality, durability and safety.
9. Rough behavior and undue conditions- harassment in getting LPG connection or a telephone connection.

Factor causing exploitation of consumers:-

1. Limited information – providing full and corrects information will help in the choice.
2. Limited supplies - when goods and services are in short supply then prices shoot up.
3. Limited competition – single producer may manipulate the market in terms of price and stocks.
4. Low literacy- illiteracy leads to exploitation.
Hence, consumer awareness is essential.

Rights of consumers:-

1. **Right to safety** i.e. protection against marketing of goods which are hazardous to life and property.

2. **Right to information** about the quality, potency, purity standard and price of goods to protect the consumer against unfair trade practices.
3. **Right to choice** wherever possible, by access to variety of goods at competitive prices.
4. **Right to be heard** i.e. to be assured that consumers interests will receive consideration at appropriate forums and at policy levels.
5. **Right to redress** against unfair trade practice or unscrupulous exploitation of consumers as also to a fair settlement of their just claims.
6. **Right to consumer education** i.e. to acquire the skills and knowledge to be an informed and responsible consumer.

RESPONSIBILITIES OF THE CONSUMERS:-

1. **Dealing with Advertisements:-** Companies try to sell their products by making attractive audiovisuals, publishing only that part which may be eye catching and hiding other crucial information and so on. Consumers need to be cautious of such deceptive advertisements.
2. **Buying Quality Certified Products:-** There are lot of products which need to be certified by recognized agencies as safe to consume and good in quality. Therefore, consumers should choose products with ISI mark and AGMARK.
3. **Demanding the Bills of the Purchase:-** Every consumer must demand the bill after purchasing a product. The bill acts as a proof of purchase and can be used to seek justice if the consumer feels cheated after buying the commodity.
4. **Being a Green Consumer:-** A consumer must consume eco friendly products i.e the products which do not cause damage to our environment.
5. **Consumers as Managers:-** Consumers can unite together to provide themselves and the community some basic needs such as drinking water supply, health, education etc. It is the government who acts as the manager for delivery of services. But the government departments are often blamed for inefficient and erratic delivery of such services. So consumers should join their hands with the government to achieve this target.

STEPS TAKEN BY GOVERNMENT:-

The government understood the need to Create Awareness among consumer and has therefore taken the responsibility to protect them from unscrupulous suppliers. Several law have been made for this purposes like Indian Contract Act , the Sale of Goods Act, the Dangerous Drugs Act, the Agricultural Produce(Grading and Marketing)Act, the Indian Standards Institution (Certification Marks) Act, the Presentation of Food Adulteration Act, the Standards of Weights and Measures Act etc which to some extent protect consumer interests. However, these laws require the consumers to initiate action by way of a civil suit involving lengthy legal process which is very expensive and time consuming. The Consumer Protection Act 1986 was enacted to provide a simpler and quicker access to redressal grievances. This Act for the first time introduced the concept of consumer and conferred express additional rights on him.

The COPRA is one of the finest pieces of social welfare legislation enacted and it has no parallel body anywhere in the world. This so called Consumer Protection Act of 1986 established the right of the consumer to know about the quality, quantity, potency, purity, standard and the price of goods so that they are guarded against unfair trade practices.

The salient features of the Act are as follows:

- Applies to all goods and services unless specifically exempted by the union government.
- Covers all the sectors whether private, public or cooperative.
- Enshrines the consumers rights related to safety, information, choice, representation and redress and consumer education .

- The act gives consumers an additional remedy besides those which may be available to them under the provisions of other existing laws and they are free to choose the remedy.
- Empower consumers seeking discontinuance of certain unfair and restrictive trade practices, defects or deficiencies in services and stopping in services or withdrawal of hazardous goods from the market.

Under this Act the consumer has not only the right to lodge complaints against unfair trade practices, sale of defective or unsafe goods, charging of higher prices etc but he can also move against unsatisfactory services and can obtain compensation from erring manufactures and service providers varying from Rs 1 lakh to 20 lakhs.

The Consumer Protection Act of 1986 established a three tier structure for redressal of consumer disputes:-

- The District Consumer Disputes Redresal Forum
- The State Consumer Disputes Redressal Commission
- The National Consumer Disputes Redressal Commission

The District forum has jurisdiction to entertain complaints where the value of goods, services and compensation claimed (if any) does not exceed RS 5 lakhs. The State Commission has jurisdiction to entertain complaints where the value of goods, services and compensation claimed is more than Rs 5 lakhs and less than Rs 20 lakhs. Similarly, the National Commission has the jurisdiction to entertain complaints where the value of goods, services and compensation claims is more than 20 lakhs.

An amendment to the provision of COPRA in 1993 gave more strength to these courts and widened their scope. Consumer courts have been taken decisions of far reaching significance. Banks and insurance service too have come under COPRA. The Supreme Court delivered in its November 13, 1995 judgments held that COPRA applies to medical practitioners as well.

As per the present rules, a consumer has to file his/her complaint at the place where the opposite party resides. This is not only inconvenient but also costly. The consumer should be allowed to file his/her complaint at the place where he/she resides.

To discourage filing of fictitious complaints by some individuals and to general some revenue by the consumer courts, a consumer filing should be made to deposit a small amount. This amount would be forfeited in the event the case is either dismissed or decided in favour of the other party. The object of COPRA is to provide cheap and quick remedy but not free remedy. Their slabs are suggested.

The value of which is below Rs 1lakh, Rs 100 to be paid with the complaint, if the value is below Rs5 lakhs, the fee could be Rs 200 and if the value exceeds Rs 5 lakh, the fee would be Rs 300.

In 1995, the central government announcement financial assistance to strengthen consumer courts and assistance would be released subject to decrease in the pendency of cases. The Planning Commission in India has agreed in principle to provide one time financial assistance of Rs 61 crore to the state government to strengthen the infrastructure of the consumer courts.

The working group on taking 'consumer movement to rural areas' recommended that each consumer organization should adopt at least 10 to 20 villages. It underlined the need for educating rural consumers especially farmers about redressal of their grievances. The union government introduced a bill to amend COPRA in Rajyasabha on April 24, 2001 and it was amended in 2002. In India, the government has taken many steps to protect consumers and in 2005 the government of India started a national campaign " Jaago Grahak Jaago" to create awareness among consumers.

CONCLUSION:-

Consumer Awareness in India is growing day by day. Consumer Associations, Business Associations and Government Legislations are working to safeguard the interests of the consumers. The consumer protection Act 1986 is the philanthropic body intended to protect the large body of consumers from exploitation. It has become vehicle for enabling consumers to secure speedy and inexpensive redressal of their disputes. It clearly specifies the concept of goods, services, defect, deficiency, quality parameters etc. It clearly explains the procedure for filing complaint, relief available, appeals etc. It is working as a three tier system (District, State, and National).

Through the consumer education, people would be more aware of their rights and would turn to be a more ideal customer where they would be more alert, responsible and more eco friendly. When consumers will be enlightened the sellers and producers would be forced to get quality products with better performance, thereby leading to better economy and growth of India in coming years.

RECOMMENDATIONS

1. Government is spending huge amount of resources on consumer awareness but the sad part is people still do not know the exact procedure about how to lodge the complain. So Consumers must be made aware about the procedure through newspaper, advertisements and news channel.
2. Organize and conduct seminars, workshops, group discussions and thus provide a platform for discussion on such issues thereby evolving suitable remedial actions. Conduct motivational campaigns for groups of potential customers both in urban and rural areas.
3. Enlighten the producers on its ethical and legal obligations to maintain quality of products and services and to be transparent in dealing with consumers.
4. Government should take stringent actions against manufactures and the shopkeepers, so that they may think twice before adopting fraudulent practices.
5. Establish links with the educational institutions to emphasis the need for consumer education and creating awareness at grass root level.
6. Make consumers aware on emphasizing on taking cash memos, and educate them to make sure checking the expiry date before buying the product.

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