

AWARENESS AND PRACTIBILITY OF CONSUMER PROTECTION ACT

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INTRODUCTION

Indian market is generally a seller market and it is very easy to dupe the innocent consumers. India is very big country where majority of consumers are poor and helpless. Also Indian consumer is not well informed of his rights. An important socio-political environment confronting the business is the growth of consumerism and legislative measures to protect the consumers. Consumer movement began and developed in United States. Now there has been growth of consumer awareness is most of the countries leading to growth of consumerism and growing demand for consumer protection. Consumer accepts consumerism as a mean of asserting and enjoying their rights.

Consumer protection act has been enforce since 1986 for consumer protection and prosperity. It is a revolutionary piece of legislation which seeks to provide for better protection of interest of consumers. This law offers protection against defective goods, deficient service, unfair trade practices and consumers exploitation.

The objective of the act is to provide for the better protection of the interests of the consumers and for that purpose to make provision for the establishment of consumer councils and authorities for the settlement of consumer disputes save as otherwise expressly provided by central government by notification this act shall apply to all goods and service. Courts have been established under this law to provide the benefits to the consumer by protecting their rights.

WHO IS A CONSUMER

All of us are consumers of goods and services. A Consumer under the Act is: "One who buys any goods, hires and service/services for a consideration which has been paid or promised or partly paid and partly promised under any system of deferred payment."

♣ **To file a complaint before The District Consumer Disputes Redressal Forum under the Provisions of "The Consumer Protection Act, 1986"**

Any consumer of the State can file a complaint before the concerned District Consumer Disputes Redressal forum, as prescribed below: -

A Who can file a Complaint?

1. A Consumer (As above)
2. Any registered voluntary consumer organization.
3. The Central Government
4. The State Government /UT Administration

A When can a Complaint be filed?

Under the Act, a complaint can be made in writing in the following circumstances.

1. If you have suffered loss or damage as a result of any unfair trade practices adopted by the trader.
2. If the goods purchased suffer from any defect.
3. If the services hired/availed suffer from deficiencies in any respect.
4. If your have been charged a price in excess of the prices displayed or fixed by or under any law or the time being in force.

A Where can you file a Complaint?

District Forum	If the cost of goods or services and compensation asked for is or less than Rs.5 Lakhs.
State Commission	More than Rs.5 Lakhs but less than Rs.20 Lakhs.
National Commission	More than Rs.20 Lakhs.

REVIEW OF LITERATURE

Skumar (1994): Expressed that well-informed consumers are a necessary element of an effective competitive market. Awareness of the rights and opportunities ranged from 43% to 94% overall, with greater variations between different consumer groups awareness was lowest amongst the elderly; the lower social grades and those are rented accommodation.

Kristov (1996): In his study addressed specific activities explicitly designed for consumer protection and education. He has categorized these activities into two broad headings: -

1. Design of market rules to minimize conflict and potential for problems.
2. Mechanisms to remove customer specific disputes and redress for systematic problems encountered as market operate.

Thyagarajan (1998) Expressed his views on consumer complaining intention in which a detailed study was conducted among the recent owners of 100 cc motorcycles. The

analysis concentrates mostly in identifying the problem faced by the consumers and the resultant complaint intentions and redressal behaviors. He concluded that more than 60% of consumers are faced with either products or service problem.

Schlesinger (2002) Conducted his study upon the topic " Not afraid to blame: the neglected role of blame attribution in medical consumerism and some implication for healthy policy ". A crucial aspect of medical consumerism has been overlooked in past research and policymaking. How consumer decide whom to " Blame " for bad outcomes. This study explores how, in a system increasingly dominated by managed care, these attribution affect consumers' attitude & behavior.

Shrimat (2004) Research scholar, department of post graduate studies in commerce, Gulbarga university, conducted an extensive study upon the awareness and perception of educated consumers about protection laws and concluded that though most of the consumers are aware about the consumer protection act, very few are aware of other consumer related act under study and the way of exercise their rights.

Naindu (2004) Conducted an empirical research based on survey method upon evaluation of consumer awareness in rural market and concluded that the awareness of rural consumer about consumer movement are qualitative in nature and can not be measured directly in quantitative terms. There is no fixed scale, which will help to measure the awareness.

NEED AND OBJECTIVES OF THE STUDY

This study has been undertaken to highlight the importance of major consumer concerns and to suggest ways to make the consumer feel important and to ensure that he is not harassed. Consumers have two central concerns.

1. They do not want their health to be impaired:- The basic law declares that the state is obligated to protect its citizens. Therefore, it must take all possible measures to ensure the safety of consumers.
2. They want products and services that are worth their price. In other words, they do not want the wool pulled over their eyes!

This study throws light on the following aspects: -

1. To study the role of government as well as consumer organizations for protecting the interest of Indian consumers.
2. To study the extent of applicability of Consumer Protection Act, 1986 on the business organization.

3. To analyze the level of awareness about Consumer Protection laws among the consumers and their satisfaction or otherwise about the Consumer Protection laws under study.

RESEARCH METHODOLOGY

Research methodology is a careful investigation or inquiry in a systematic manner & finding solution to a research. It includes of define & redefining problems, formulating hypothesis or researching conclusion to determine whether they fit the formulating hypothesis. The Advanced Learner's Dictionary of current English defines research as " A careful investigation or inquiry specially through search for new facts in any branch of knowledge.' Redman and Mory define researcher as a " systematized effort to gain new knowledge." D.Slesinger and M.Stephenson in the encyclopedia of social sciences define research as " The manipulation of things, concepts or symbols for the purpose of generalizing to extend, correct or verifying knowledge, whether that knowledge aids in construction of theory or in the practice of an art."

Collection of data: - The study is based on primary data as well as secondary. The questionnaire has been prepared for the study. This questionnaire has been filled by personal visit to different respondents.

1. **Data Source:** -The study is based upon the secondary data collected from published sources – Indian journals of Marketing, ICFA journal of Marketing, Marketing Mastermind, Advertising and Marketing, Publication and Articles by prominent persons and News Papers like Economic Times, The Financial Express etc.
2. **Questionnaire:** - A questionnaire consists of a number of question printed or typed in a definite order on a form or set of forms. In present study questionnaire has been used for the collection of relevant data. The questions in the questionnaire are arranged in a sequence of general to more particular keeping in to the consideration the objects of the study. The questionnaire was compared of non-disguised structured question. A 'Pilot Survey' for pre-testing the questionnaire was done in which 5 questionnaires was got filled. After the pilot survey certain modifications were introduced in the questionnaire and this questionnaire was then used for the study.

Limitations of study

1. Many respondents were not sure regarding their responses due to lack of knowledge.
2. Resource consisting was also a limitation for the study.
3. As a student, lack of experienced knowledge is also a limitation for the study.

4. Since this is convenience sampling personal bias may have also crept in due to the respondents to rationalize their views.

AWARENESS OF CONSUMERS ABOUT CONSUMER PROTECTION ACT AND THERE TABLE ANALYSIS.

No doubt in the modern time philosophers and thinkers have regarded consumer as the base of every business. No business activity moves in the country without the presence of the consumers. But still it is a common practice that businessmen exploit the customer as regards to quality, quantity, weight, price and other related factors involved in the daily business transactions. It was estimated that the “Indian consumer” is being cheated by about Rs.2000 crores every year. Legal environment is the most important factor in protecting the interest of the consumers. If proper support of law does not exist, the consumer cannot be defended in the court of the law. For the protection of consumers, from time to time the government of India ha enacted several laws. Presently, there are more than 20 laws in the country either directly or indirectly protecting the interest of the consumers.

For the purpose of finding out the level of awareness among people regarding consumer protection laws, following study has been undertaken. The respondents selected for the study were 80 in number

Table - 1

RESPONDENTS CATEGORY

S.NO.	CATEGORY	NO. OF RESPONDENTS	PERCENTAGE
1.	Housewives	13	16.25
2.	Service class	13	16.25
3.	Students	13	16.25
4.	Teachers	14	17.50
5.	Professionals	13	16.25
6.	Entrepreneurs	14	17.50
	Total	80	100

Here the technique used for selection of respondent categories was deliberate clustering and research was restricted to kapurthala district in the State of Punjab. The above given table shows the percentages of various respondents.

Table no - 2**Literacy Wise Distribution**

	House-wives	Service	Students	Teachers	Professionals	Entrepreneurs	Total
Primary	1	1	--	--	--	2	4
Secondary	4	3	5	--	--	4	16
Graduation	5	8	7	4	5	3	32
Post Grad	3	1	1	10	8	5	28
Illiterate	--	--	--	--	--	--	--
Total	13	13	13	14	13	14	80

The given table shows that amongst primary education level, 25% are housewives, 25% belong to service class people and 50% are entrepreneurs. Percentages of respondents falling in other education levels have been calculated in the similar manner.

Table no - 3**Awareness Regarding Laws among the Following Respondents.**

	House-wives	Service	Students	Teacher	Professionals	Entrepreneurs	Total
CPA,1986	4	3	6	9	7	6	35
Std. of weights and measures act,1976	1	3	3	4	4	1	16
Essential commodities act,1955	2	5	3	4	2	2	18
Prevention of food adulteration act,1954	3	2	4	3	4	3	19
Total	10	13	16	20	17	12	88

Table no.3 makes an attempt to make a comparative study of consumer protection laws among the respondents. Study reveals that housewives are least aware of prevailing laws whereas teachers hold the maximum Percentage. Very few people are aware of acts other than consumer protection act.

Table - 4**Level of Awareness of Consumer Protection Laws**

	House-wives	Service	Students	Teacher	Professionals	Entrepreneurs	Total
Out standing	--	--	3	--	1	--	4
Very Good	--	--	1	--	1	1	3
Good	1	2	2	4	4	1	14
Satisfactory	4	5	4	5	5	6	29
Poor	4	4	2	5	2	1	18
Very Poor	4	2	1	--	--	5	12
Total	13	13	13	14	13	14	80

This table shows that lot of is to be done to make general public aware of the laws as the percentage of people having very good or outstanding knowledge about the laws is very low.

Table no - 5**Determining the Percentage of Membership of Consumer Associations**

	House-wives	Service	Students	Teachers	Professionals	Entrepreneurs	Total
Member	2	--	1	--	2	5	10
Not a member	11	13	12	14	11	9	70
Total	13	13	13	14	13	14	80

Only 13% respondents were found to be members of such organization, which directly or indirectly protect the interest of consumers. 87% is still not interested in joining them because of following reasons

Table no - 6**Reasons for not Joining Consumer Associations**

	House-wives	Service	Students	Teachers	Professionals	Entrepreneurs	Total
Lack of desire	5	3	1	2	2	1	14
Lack of courage	--	2	2	6	2	1	13
Disinterested	--	4	4	2	1	3	14
Ignorance	5	2	3	3	3	4	20
Low publicity	1	2	2	1	3	--	9
Total	11	13	12	14	11	9	70

Majority of the persons are still unaware about such associations. Lack of desire, courage and consumer disinterest was found in more than 58% respondents. Malfunctioning of consumer associations is the main reason that can be attributed to this. Low publicity of consumer associations of the activities, programs, achievement. aims and education programs were also another reason for people not being member of the same.

Table no - 7**Measure to Popularize Consumer Associations**

	House-wives	Service	Students	Teachers	Professionals	Entrepreneurs	Total
Right projection to activities	3	2	1	1	3	3	13
Mass appeal	3	5	7	6	5	3	29
More publicity	3	4	4	5	7	1	24
Consumer education	5	5	5	4	6	8	33
Should reach rural areas	3	2	3	1	4	4	17
Total	17	18	20	17	25	19	116

In order to popularize the consumer movement and give a sound footing to the working of consumer association the measures shown above were suggested. It was found

that, unless and until the consumer associations have a mass appeal and more of consumer awareness, they couldn't attract public support. Activities that support consumer awareness and education should be undertaken.

APPLICABILITY OF CONSUMER PROTECTION ACT

There is no doubt that consumer is the backbone of all the economic activities. But today Indian consumer is one of the most neglected sections of the society. He faces plethora of problems affecting his rights and interest. He is often cheated in number of ways such as adulteration, over pricing, short weights and measure fraudulent advertisements and poor sale services.

Fortunately, a number of legal and institutional arrangements developed over a year directly or indirectly aim at safeguarding the interest of consumers. Further, the government has brought in to effect a progressive and comprehensive legislation in the form of consumer protection act 1986. This act covers the goods and services produced by private, public and joint and cooperative sector. To protect and promote consumer rights, the act envisages the formulation of consumer protection councils at the central state and district levels.

This act is one of the important milestones in the consumer movement because the well-organized sectors of manufactures, traders and service providers, armed with knowledge of the market and manipulative skills, often attempt to exploit the gulleble consumers, despite the existence of provisions in different laws protecting their interests. Various factors including increase in the population resulted in enormous tendency and delay in disposal of cases in the civil courts. Hence, the consumer protection act was enacted to better protect the interest of consumers. The importance of act is now felt much more than ever before in view of increase in consumerism and opening up of the economy. The act is one of the most progressive and comprehensive pieces of legislation, which covers all goods and services.

In order to test the extent of applicability of the consumer protection act 1986, to the business sector, a comprehensive study has been undertaken with the help of questionnaires from various respondents' categories comprising of different income level by taking an example of automobiles. Required data was collected from 80 respondents through structured questionnaires and findings are as below.

Table no - 8**To Determine the Number of Owner of Four Wheelers**

	Number of Individuals	Percentage
Own a four wheeler	76	95%
Do not own a four wheeler	04	05%
Total	80	100

The above given table shows that 95% respondents own a four-wheeler while rest does not.

Table no - 9**To Test the Incomer Level of People.**

Income level	Number	Percentage
Up to 2lacs	18	22.50
2lacs< income <4lacs	23	28.75
4lacs<income<6lacs	22	27.50
More than 6lacs	17	21.25
Total	80	100

This table shows the income variation among the total of 80 respondents. Maximum fall in the category of middle class i.e. between 2lacs to 4lacs.

Table no - 10**Mode of Financing the Purchase of Four-Wheeler.**

Mode	Number	Percentage
Company finance	11	14.48
Bank finance	36	47.36
Direct buying	29	38.16
Total	76	100

Maximum respondents have resorted to banks as their main mode of financing their purchase. Direct buying is their second preference while few resort to company mode of financing.

Table no - 11**To Test The Satisfaction About The Performance Of Their Vehicle**

Particulars	Number	Percentage
Satisfied	51	67.11
Not satisfied	25	32.89
Total	76	100

Though nearly 67% respondents are satisfied with the performance of their vehicle yet 32.89% are not satisfied. The reasons for dissatisfaction are varied from person to person. Some of common reasons are highlighted as below.

Table no - 12**To Find Out The Reasons Of Dissatisfaction**

Reasons	Number	Percentage
Not efficient	3	07.50
Inadequate after sale services	4	10.00
Higher prices	5	12.50
Low average	11	27.50
Low comfort and style	12	30.00
Total	40	100.00

Nearly 27% complain of low average of their vehicles. Rest have a mixed opinion of higher prices and inadequate after sale services.

Table no - 13**To Test the Satisfaction With the Remedial Response of the Dealer.**

Complaint filing	Number	Percentage
Yes	23	92.00
No	02	08.00
Total	25	100

It is found that out of 25dissatisfied respondents nearly all (92%) chose filing complaints with their respective dealers while 8% opted to remain quiet as silent victims.

Table no - 14**To Test the Satisfaction with the Remedial Response of the Dealer.**

Satisfaction	Number	Percentage
Yes	10	43.48
No	13	56.52
Total	23	100

Out of 23 respondents who filed their complaints, majority was not satisfied with the remedial action provided to them by their dealer. However, 43% was satisfied with the remedial action.

Table no - 15**To Determine the Percentage of People Making Use of Prevalent Consumer Protection Laws Under Consumer Protection Act, 1986**

Usage	Number	Percentage
Yes	10	12.50
No	70	87.50
Total	80	100

Unfortunately very few respondents have tried to derive benefits under the Consumer Protection Act. Rests have never applied as a complainant under this act.

Table no - 16**To Determine Satisfaction Derived by Using Consumer Protection Laws.**

Satisfaction	Number	Percentage
Yes	07	70.00
No	03	30.00
Total	10	100

Majority of the respondents were satisfied with the remedy provided to them under this Act.

FINDING OF THE STUDY

1. There is a direct relation between education and awareness. Professionals with higher level of education are more aware of the laws under study.
2. While many consumers are aware of the consumer protection act, very few are aware of other consumer related act under study.
3. Very few consumers are members of consumer protection agencies, ignorance being its main reason.
4. Until the consumer associations have a mass appeal and more consumer awareness, they cannot attract public support.
5. As the percentage of people having very good or outstanding knowledge about law is very low. So, it is very important for the benefit of general public to make them aware regarding act.
6. Main reason behind the negligence of the act is that individual consumer has no voice at all. So, they should be properly organized in a well-formed group or association to gain momentum.
7. Business sector being an important part of the economy, lot of is to be done to effectively implement the provision of the same and to derive benefits under it. It can be clearly seen that majority does not seek remedy under this act.
8. It has been found that consumer protection act has provided three tier judicial machinery to redress the grievance of consumer. The main consumer forums are District, State and National level.
9. Due to the lack of education in the rural areas most of the people does not aware regarding their rights which are mentioned U/S 6 of Consumer Protection Act 1986.
10. Today people avoid litigation although they have the knowledge of Act.

SUGGESTIONS

1. Although government has made efforts to protect & aware the consumer about their rights yet they are not in reach of the general public. So, government should make efforts in this regard.
2. Press & media should play an important role in achieving the aim of creating awareness.
3. Besides three tiers judicial machinery there should be a consumer forum at tehsil/ local level.
4. Law should be written in the local language also so that the layman can also make an effective utilization of them.

5. Efforts should be made to extend a speedy disposal of the complaints of the consumers so that more and more people derive satisfaction by using these laws.
6. Consumer voluntary organizations should conduct public meetings, organizational meetings, seminars and exhibitions. For that the government has to co-operate with the consumer voluntary organizations by providing sufficient financial and moral support.
7. Consumer redressal forums should develop some sort of single window system for quick redressal and speedy judgments.
8. The people in the voluntary organizations should work with a spirit of dedication and fight for a common cause, which is in the interest of the entire society

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ANNEXURE - 1

Questionnaire to Test the Awareness among People Regarding Consumer Protection Laws.

1. Which of these respondent categories you belong to?

- Housewives
- Service Class
- Students
- Teachers
- Professionals
- Entrepreneurs

2. What is your primary education level?

- Primary
- Secondary
- Graduation
- Post Graduation
- Illiterate

3. Which of the following Acts are you aware of?

- CPA 1986
- MRTP ACT, 1969
- Standards of Weights and measurement act, 1976
- Essentials commodities act, 1955
- Prevention of food adulteration act, 1954

4. What is your level of awareness about consumer protection organization?

- Outstanding
- Very good
- Good

- Satisfactory
- Poor
- Very poor

5. Are you a member of such organization?

- Yes
- No

6. Reasons for not joining consumer association?

- Lack of desire
- Lack of courage
- Disinterested
- Unaware about associations
- Low publicity of associations

7. Which of the following measures, you feel is necessary for popularizing consumer associations?

- Right projection of activities
- Mass appeal
- Such association should be publicized
- Education to consumers
- Should reach rural areas

8. What are your suggestions regarding the ways to protect Indian consumers from malpractices and cheating in the market?

ANNEXURE - 2

Questionnaire to Test the Applicability of Consumer Protection Laws to the Business Sector in Respect of Purchases.

1. Do you own a four-wheeler?

- Yes
- No

2. What is your income level?

- Up to 2 lacs _____
- More than 2 lacs less than 4 lacs _____
- More than 4 lacs less than 6 lacs _____
- More than 6 lacs _____

3. Which brand do you own?

4. What is the price consideration you have paid for it?

- Company finance _____
- Bank finance _____
- Direct buying _____

5. Are you satisfied with performance of your vehicle?

- Yes
- No

6. What are the reasons of your dissatisfaction?

- Efficiency not up to mark _____
- Inadequate after sale services _____

- Low average _____
- Low comfort level _____
- Some other reasons _____

7. Did you ever submit your complaint to the dealer regarding your dissatisfaction?

- Yes
- No

8. Were you satisfied with their remedial response?

- Yes
- No
- If not why?

9. Have you ever resorted to a strict action against the seller regarding any of your purchases be it be any item?

- Yes
- No

10. Did you ever make use of any prevalent consumer protection laws for your protection against clever marketers?

- Yes
- No

11. Were you satisfied with the remedial measures provided to you under the consumer protection act?

- Yes
- No

12. Did you think that applicability of CPA to the Business sector is satisfactory or would you like to suggest some changes?
