



Performance of Consumer Councils - A Study of Warangal District

***Mr. MADHU VODDEPALLY**

Research Scholar

Department of Commerce and Business Management
Kakatiya University, Warangal.

****Prof. K. RAJI REDDY**

Department of Commerce and Business Management
Kakatiya University, Warangal.

ABSTRACT

A consumer is an individual, who purchases a product or avails a service for a consideration, either for his personal use or to earn his livelihood. The consideration includes may be paid, promised, partly paid and promised to paid. The rising interdependence of the world economy and international character of any business practices have contributed to the development of universal importance on consumer rights protection and promotion. The consumer councils are providing better justice to various consumers who are exploited by the unfair and unsafe trade practices of the business organisations. The district level consumer councils are always providing better justice to customers and monitor fair trade practices that are attracted by business organisations. The evaluation of performance of consumer forums or councils is required to bring out more ethical and fair practices to consumers to protect the interest of consumers and increase fair justice business practices to consumers. This study is needed to evaluate the performance of consumer council of Warangal District of Telangana State.

Key Words: *Consumer Protection, District Council and Consumer Forums.*

Introduction:

A consumer is an individual, who purchases a product or avails a service for a consideration, either for his personal use or to earn his livelihood. The consideration includes may be paid, promised, partly paid and promised to paid. The rising interdependence of the world economy and international character of any business practices have contributed to the development of universal importance on

consumer rights protection and promotion. Consumers, clients and customers' world over, are demanding value for money in the form of quality of goods and for better services. Modern technological developments have no doubt made a great impact on the quality, availability and safety of goods and services. But the fact of life is that the consumers are still victims of unscrupulous and exploitative practices. Exploitation of consumers assumes numerous forms such as adulteration of spurious drugs, food, dubious hire purchase plans, high prices, deficient services, poor quality, deceptive advertisements, hazardous products, black marketing and many more.

The consumer protection is a socio- economic programme to be continued by the government as well as the business as the satisfaction of the consumers is in the interest of both. The primary responsibility is to protect the consumers' rights and interest through appropriate legal structure, policy measures, and administrative framework.

Need for the Study:

The consumer protection plays a significant role in building a fair and safety practices in the world. The competitive world is witnessing tremendous changes in the needs and wants of the consumers. The advancement of technology and science are turned out the understanding and evaluating products and services about fare practices. The business organisations are required to provide true and fair information and at the same time consumers have to believe on the same information provided by the traders. The role of consumer council in protecting consumer rights and benefiting the consumers with the right quality products and services has become inevitable. The consumer councils are providing better justice to various consumers who are exploited by the unfair and unsafe trade practices of the business organisations. The district level consumer councils are always providing better justice to customers and monitor fair trade practices that are attracted by business organisations. The evaluation of performance of consumer forums or councils is required to bring out more ethical and fair practices to consumers to protect the interest of consumers and increase fair justice business practices to consumers. This study is needed to evaluate the performance of consumer council of Warangal District of Telangana State.

Objectives of the Study: The following are the main objectivise of study

1. To present role of District Consumer Protection Council and
2. To analyse the performance of consumer councils in Warangal District

Research Methodology:

The descriptive research methodology is for the present study. For this study, primary data sources are used. The primary data was collected through structured questionnaire to collect the opinions of customers towards their rights and responsibilities and functioning and performance of consumer forums in Warangal District. In addition, personal interviews and discussions were held with the consumer council members and employees to collect the required information.

The present study covers the consumers of Tri-cities of Urban Warangal District. To analyse the opinions of customers, 400 chosen from Warangal Urban and 400 from Warangal Rural are selected at random by using convenient sampling method. The questionnaire was administered to these consumers. Out of 800 questionnaires, a total of 638 properly filled questionnaires (353 from Urban Customers and 285 from Warangal Rural) were received and finalized for the present study. The minimum required sample size is determined as 384 but, 638 customers have been selected for the study which is more than the minimum sample required. The collected data processed and tabulated with the help of Statistical Package for Social Sciences (SPSS). The data were analysed by using statistical techniques like percentage, mean, ranking correlation, chi-square test, simple and weighted average. There by interpretations were made.

The Role of District Consumer Protection Council

In order to promote and protect the rights of the consumers at the district level, provisions have been made in the Consumer Protection Act, 1986 Vide Act, No. 62 of 2002 (w.e.f. (5-3-2003) for the establishment of District Consumer protection council at the district level.

The State Government shall establish for every district, by notification, a Council to be known as the District Consumer Protection Council with effect from such date as it may specify in such notification [Section 8(1)].

The District Consumer Protection Council shall consist of the following members, namely:

- a) The Collector of the district, who shall be its Chairman, and Such member of other official and nonofficial members representing such interests as may be prescribed by the State Government. [Section 8A(2)].
- b) The Council shall meet as and when necessary but not less than two meetings shall be held every years.
- c) The Council shall meet as such time and place within the District as the Chairman may think fit.

The consumer and goods providers have a significant relation in their day-to-day life and both the parties are dependent on each other. The both the parties are should be very honest and fair in their transactions. In many situations, the customer has a problem with the service provided to them because the service providers lack fairness in the quality or quantity of the products are provided to the consumers. This situation automatically affects the relation between consumers and sellers due to providing defective or unfair trade practices. Generally, the consumers are face deficiency products, unfair trade practices, manufacturing defect and medical negligence while purchasing the products. Here, is the need to study consumer faced which kind of problems with purchased products or services which affect the relation between the sellers and consumers in the study area.

Demographic Profile of Select Consumers of Warangal District

Gender of the consumers is a significant factor that changes the purchasing behaviour. Men and women tend to have different opinions and choices while shopping of the products or services. Therefore, it is required to study the gender-wise distribution of select consumers of study area. Table -01 presents the gender-wise distribution of select consumers.

Table – 01: Gender-wise Distribution of Select Consumers

Gender	Number of Consumers	Percentage
Male	292	66.40
Female	148	33.60
Total	440	100.00

Source: Compiled from the Questionnaire. .

The data in Table 01 clearly indicates that the sample is represented by 66.40 per cent are male and 33.60 per cent are female consumers. This clearly indicates that majority of the consumers are male because always male consumers purchase products or services for their entire family members. Females also involve in purchase decisions but male are more involved to bring products to home. Generally in India, financial transactions are taken care by male only which again can be seen from the above given data.

The age of consumers will influence the decision to buy a product or not. Thus, there is need to study the age-wise distribution of select consumers of study area. Table – 02 presents the age-wise distribution of select consumers.

Table - 02: Age-wise Distribution of Select Consumers

Age –wise Distribution	Number of Consumers	Percentage
Below 25 years	36	08.23
Between 25 to 35 years	164	37.27
Between 35 to 45 years	152	34.50
Above 45 years	88	20.00
Total	440	100.00

Source: Compiled from the Questionnaire.

An examination of above data in Table – 02 shows that, 37.27 per cent of select consumers lie in age group of 25 to 35 years, 34.50 per cent are in the age group of 35 to 45 years, 20.00 per cent are above 45 years and the remaining 8.23 per cent are below 25 years. This clearly shows that the majority of the select consumers are middle age group which are married and they always purchase the products for their family members.

The respondents were asked to reveal their marital status. Their responses are tabulated and placed in Table – 03.

Table – 03: Marital Status of Select Consumers

Marital Status	Number of Consumers	Percentage
Married	371	84.31
Un-married	69	15.69
Total	440	100.00

Source: Compiled from the Questionnaire.

From the above data it is observed that 84.31 per cent select consumers are married and remaining 15.69 per cent are un-married. Therefore, it is observed that the majority of the select consumers are married in the study area. The married consumers purchase products for their family members and their consumption pattern is more.

The data regarding to education levels of select consumers is presented in Table – 04.

Table – 04: Education Level of Select Consumers

Level of Education	Number of Consumers	Percentage
Below Graduation	67	15.23
Graduation	201	45.68
Above Graduation	172	39.09
Total	440	100.00

Source: Compiled from the Questionnaire.

It is observed from the above data that 45.68 per cent of select consumers are graduates, 39.09 per cent are post graduates and 15.23 per cent are below graduates. Therefore, it is concluded that majority of select consumers are graduates and post graduates in the study area.

The occupation of consumers consistently determines their attitude towards purchase of goods for their consumption patterns. Their responses are tabulated and presented in Table – 05.

Table – 05: Occupation Profile of Select Consumers

Level of Education	Number of Consumers	Percentage
Agriculture	101	22.95
Professional	54	12.27
Government Employee	90	20.45
Private Employee	118	26.81
Business	77	17.52
Total	440	100.00

Source: Compiled from the Questionnaire.

Above data in Table 05 indicates that 26.81 per cent consumers are private employees, 20.45 percent are Government employees. Further, it is observed that 22.95 per cent are involved in Agriculture, 17.52 per cent are running own business and 12.27 per cent are professionals. It is observed from the above analysis that majority of the select consumers are belonging of private and Government employees' category.

Income is the very significant factor which influences consumer's purchase and consumption pattern. The relevant data was collected and depicted in Table -03.06.

Table – 06: Level of Income of Select Consumers

Level of Income (Yearly)	Number of Consumers	Percentage
Below Rs. 2,00,000	49	11.13
Between Rs. 2,00,000 to Rs.4,00,000	150	34.09
Between Rs. 4,00,000 to Rs.6,00,000	169	38.40
Rs. 6,00,000 and above	72	16.36
Total	440	100.00

Source: Compiled from the Questionnaire.

The data depicted in Table-06 reveal that 38.40 per cent consumers have annual income between Rs. 4, 00,000 to Rs.6, 00,000 per annum. 34.09 per cent earn between Rs. 2, 00,000 to Rs.4, 00,000 per annum. 16.36 per cent earn Rs. 6, 00,000 above per annum and 11.13 per cent have below Rs. 2, 00,000 income per annum. Therefore, it is observed that majority of consumers earn between Rs. 4, 00,000 to Rs.6, 00,000 yearly and between Rs. 2, 00,000 to Rs.4, 00,000. It is clearly indicating that most of the select consumers are belong to middle income group in the study area.

Performance of Warangal District Consumer Council

There is need to study the duties of district consumer forum of Warangal District. The duties are categorized into three namely Communicator to the consumer, transparent in redressal procedure and accuracy in judgment. To analyse the opinions five point scale used i.e., 1-Strongly Disagree, 2- Disagree, 3 – Neutral, 4- Agree and 5- Strongly Agree The researcher framed a questionnaire on above said duties and tabulated their responses. The district councils need to communicate the consumers about dispute redressal mechanism. It includes explain the process of dispute redressal mechanism, Charges the nominal fee for dispute redressal mechanism, Dispute redressal mechanism is accessible to every consumer and Compensatory in nature also to redressal. Table – 07 presents the opinions of towards Communicator Duties of Warangal District Consumer Council.

Table – 07: Opinion towards Communicator Duties of District Consumer Council

Communicator Statement	SDA	DA	N	A	SA
Explain the process of dispute redressal mechanism	52 (11.82)	51 (11.52)	47 (10.68)	114 (25.91)	176 (40.00)
Charges the nominal fee for dispute redressal mechanism	26 (05.91)	51 (11.52)	36 (08.18)	97 (22.05)	230 (52.27)
Dispute redressal mechanism is accessible to every consumer	53 (12.05)	41 (09.32)	47 (10.68)	241 (54.77)	58 (13.18)
Compensatory in nature also to redressal	41 (09.32)	154 (35.00)	52 (11.82)	150 (34.09)	43 (09.77)

Source: Primary Data.

Note: Figures shown in parentheses are percentages.

The data in Table – 07 shows that the 40.00 per cent of select consumers are strongly agree with the duty of communicator of explain the process of dispute redressal mechanism, 25.91 per cent are agree and 11.82 per cent are strongly disagree. There are 11.52 per cent of select consumers are disagree with the duty of communicator of explain the process of dispute redressal mechanism and 10.68 per cent are expressed neutral opinion towards this duty. There are 52.27 per cent of select consumers are strongly agree with the duty of communicator of charge the nominal fee for dispute redressal mechanism, 22.05 per cent are agree and 11.52 per cent are disagree. The 08.18 per cent of select consumer are expressed neutral opinion towards the duty of communicator of charge the nominal fee for dispute redressal mechanism and 05.91 per cent are strongly disagree with this duty.

With regard to the dispute redressal mechanism is accessible to every consumer, 54.77 per cent of select consumers are agree and 13.18 per cent are strongly agree and 12.05 per cent are strongly disagree.

The 10.68 per cent of select consumers are expressed neutral opinion towards the dispute redressal mechanism is accessible to every consumer and 09.32 per cent are disagree with this. The 34.09 per cent of select consumers are agree with the duty of communicator of compensatory in nature also to redressal, 35.00 per cent are disagree and 11.82 per cent are expressed neutral opinion towards with this. There are 09.77 per cent of select consumers are strongly agree with the duty of communicator of compensatory in nature also to redressal and 09.32 per cent are strongly disagree with this.

Therefore, it is observed that the majority of select consumers is strongly agree with the duty of communicator of explain the process of dispute redressal mechanism and charge the nominal fee for dispute redressal mechanism. Another majority of select consumers agree with the dispute redressal mechanism is accessible to every consumer and compensatory in nature also to redressal. Further, there is need to study the select consumers opinion towards the district consumer forums general activities which very much required to effective and efficient working. The researcher identified general activities includes distribution of printed materials to the consumers, controlling of misrepresentation product features and services by sellers, Discloser of information regarding terms and conditions of products or services by sellers, avoiding the negligent behaviour of sellers and avoiding irrelevant or overstated promises by sellers.

Table – 08 presents the opinion towards general activities of Warangal district consumer forums.

Table – 08: Opinion towards General Activities of Warangal District Consumer Council

General Activities of Warangal District Consumer Council	SDA	DA	N	A	SA
Distribution of printed materials to the consumers	65 (14.77)	161 (36.59)	41 (09.32)	98 (22.27)	75 (17.05)
Controlling of misrepresentation product features and services by sellers	117 (26.59)	86 (19.55)	56 (12.73)	122 (27.73)	59 (13.41)
Discloser of information regarding terms and conditions of products or services by sellers	59 (13.41)	184 (41.82)	43 (09.77)	88 (20.00)	66 (15.00)
Avoiding the negligent behaviour of sellers	112 (25.45)	102 (23.18)	50 (11.36)	110 (25.00)	66 (15.00)
Avoiding irrelevant or overstated promises by sellers	91 (20.68)	193 (43.86)	22 (05.00)	85 (19.32)	49 (11.14)

Source: Primary Data.

Note: Figures shown in parentheses are percentages.

The data in Table – 08 indicates that the 36.59 per cent of select consumer are disagree with the distribution of printed materials to the consumers, 22.27 per cent are agree and 17.05 per cent are strongly agree with this. The 14.77 per cent of select consumer strongly disagree with the distribution of printed materials to the consumers and 09.32 per cent are expressed neutral opinion towards this. There are 27.73 per cent of select consumers are agree with the controlling of misrepresentation product features and services by sellers, 26.59 per cent are strongly disagree and 19.55 per cent are disagree with this. The 13.41 per cent of select of consumer are strongly agree with the controlling of misrepresentation product features and services by sellers and 12.73 per cent are expressed neutral opinion to this. With regard to the discloser of information regarding terms and conditions of products or services by sellers, 41.82 per cent of select consumers are disagree, 20.00 per cent are agree and 15.00 per cent are strongly disagree with this. The 13.41 per cent of select consumers are discloser of information regarding terms and conditions of products or services by sellers and 09.77 per cent are expressed neutral opinion towards with this. There are 25.45 per cent of select consumers are strongly disagree with the avoiding the negligent behaviour of sellers, 25.00 per cent are agree and 23.18 per cent are disagree with this. Around 15.00 per cent of select consumers strongly agree with the avoiding the negligent behaviour of sellers and 11.36 per cent are expressed neutral opinion towards with this. With regard to the avoiding irrelevant or overstated promises by sellers, 43.86 per cent of select consumers are disagree, 20.68 per cent are strongly disagree and 19.32 per cent are agree with this. There are 11.14 per cent of select consumers are

strongly agree with the avoiding irrelevant or overstated promises by sellers and 05.00 per cent expressed neutral opinion towards this. Therefore, it is clearly indicates the majority of select consumers are disagree with the distribution of printed materials to the consumers, discloser of information regarding terms and conditions of products or services by sellers, avoiding irrelevant or overstated promises by sellers and strongly disagree with the avoiding the negligent behaviour of sellers. Another majority of select consumers agree with the controlling of misrepresentation product features and services by sellers.

The District Consumer Councils is safeguarding the consumer rights and benefiting the consumers with the right products and services. The Government of India established consumer forums at district level to protect the interest of consumers and providing justice to them from the unfair trade practices. The District consumer councils or forums should provide simple and speed redressal to consumer disputes. In this connection, there is need to study the various functions performing by Warangal District Consumer Council or Forums. Table – 09 presents the opinion towards the function of guiding the consumers of Warangal District Consumer Council

Table – 09: Opinion towards Guiding the Consumers of Warangal District Consumer Council

Guiding Statements	SDA	DA	N	A	SA
to file case in the consumer court	49 (11.14)	111 (25.23)	47 (10.68)	173 (39.32)	60 (13.64)
the charges for filing the case	47 (10.68)	58 (13.18)	47 (10.68)	68 (15.45)	220 (50.00)
the eligibility criteria to file case	44 (10.00)	63 (14.32)	53 (12.05)	205 (46.59)	75 (17.05)

Source: Primary Data.

Note: Figures shown in parentheses are percentages.

The data in Table – 09 indicates that the 39.32 per cent of select consumers are agree with the district consumer council guide the consumers to file case in the consumer court, 25.23 per are disagree, 13.64 per cent are strongly agree with this. There are 11.14 per cent of select consumers are strongly disagree with the district consumer council present the consumers to file case in the consumer court and 10.68 per cent are expressed neutral opinion towards this. Around 50.00 per cent of select consumers are strongly agree with the district consumer council guide the charges for filing the case, 15.45 per cent are agree and 13.18 per cent are disagree with this. There are 10.68 per cent of select consumers are strongly disagree with the district consumer council guide the charges for filing the case and at the same time the respondents are also expressed neutral opinion to this function. The 46.59 per cent of select consumers are agree with the guide the consumers eligibility criteria to file the case, 17.05 per cent are strongly agree and 14.32 per cent are disagree with this function. There are 12.05 per cent of select consumers are expressed neutral opinion to the guide to consumers about the eligibility criteria to file the case and 10.00 per cent are strongly disagree with this function. It is observed from the above analysis that the majority of select consumers are strongly agree with the district consumer council guide the charges for filing the case, agree with the district consumer council guide the consumers to file case in the consumer court and guide the consumers eligibility criteria to file the case.

To test the level of statistical significance formulated null-hypothesis and Chi-square test conducted to know the significance. The relevant data presented in Table – 10.

Table – 10: Level of Education Vs Function of Guiding the Consumers of Warangal District Consumer Council

Significance of between Level of Education and	Table Value	Level of Significance	d.f.	P-Value	Result
To file case in the consumer court	5.068	0.05	8	.751	Accept (H ₀)
The charges for filing the case	18.201	0.05	8	.020	Reject (H ₀)
The eligibility criteria to file case	10.048	0.05	8	.262	Accept (H ₀)

Source: compiled from Table no. 07

Null – Hypothesis (H₀): There is no statistical significance difference among the select consumers belonging to different education level with regard to guiding the Consumers of Warangal District Consumer Council.

The chi-square test result is presented in Table – 10. It indicates that the calculated p-value (.751) is more than the significance level resulting in acceptance of null-hypothesis. Therefore, it indicates that there is no statistical significance difference among the select consumers belonging to different education level with regard to file case in the consumer court. It is also identified that the calculated p-value (.020) is less than the significance level resulting in reject of null-hypothesis. Therefore, it indicates that there is no statistical significance difference among the select consumers belonging to different education level with regard to the charges for filing the case. Further, it is observed that the calculated p-value (.262) is more than the significance level resulting in reject of null-hypothesis. Therefore, it indicates that there is no statistical significance difference among the select consumers belonging to different education level with regard to the eligibility criteria to file case.

Summary of the findings:

The consumer protection is a socio- economic programme to be continued by the government as well as the business as the satisfaction of the consumers is in the interest of both. The primary responsibility is to protect the consumers' rights and interest through appropriate legal structure, policy measures, and administrative framework. The majority of select consumers is strongly agree with the duty of communicator of explain the process of dispute redressal mechanism and charge the nominal fee for dispute redressal mechanism. Another majority of select consumers agree with the dispute redressal mechanism is accessible to every consumer and compensatory in nature also to redressal. The majority of select consumers are disagree with the distribution of printed materials to the consumers, disclosure of information regarding terms and conditions of products or services by sellers, avoiding irrelevant or overstated promises by sellers and strongly disagree with the avoiding the negligent behaviour of sellers. Another majority of select consumers agree with the controlling of misrepresentation product features and services by sellers.

References:

- Ashok Patil (2012), 'A Study on Consumer Protections through Maintenance of Product Safety & Standards in India', Working Paper Series No. 023, Asian Law Institute (ASLI), National University of Singapore, Singapore, April – 2020.
- Bettadalli C. Neelakanta (2006), 'An Assessment of the Need for Effective Consumer Organizations in India and Japan within the Wider Concept of Globalization', Working Paper Serial No. 408, Institute of Developing Economics, Japan External Trade Organisation, March- 2006.
- Chacko, Nisha and Tripathi, B. N. (2006), 'Consumer Awareness about Food Adulteration in Kakkanad town of Ernakulam District', research papers published in Consumer Behaviour and Consumer protection in India, New Centaury Publication, New Delhi
- Guruswamy, P., Manichitra, P. and Princy, J. (2014), 'A Study on Consumer Awareness on Consumer Protection Council- A special reference to Coimbatore District', International Journal of Scientific Research, Vol. 3(7), pp- 103-104
- Frank Williams (2006), 'Consumer Protection Law and Executive Regulations – Egypt', USAID-funded TAPR II project, September 2006, p-5-8.
- Rajendra Prasad. A. (2011), 'Historical Evaluation of Consumer Protection and Law in India: A Bird's Eye View' Journal of Texas Consumer Law, Vol. 01 (06), pp: 132-136.
- Rishikant Agnihotri, Beenu Singh and Arti Singh (2011), 'Role of Media in Consumer Protection', VSRD- International Journal of Business and Management Research, Vol. 1 (10), pp- 624-631
- Robert Moog (2002), 'Democratization of Justice: The Indian Experiment with Consumer Forums', Working Paper No. 141, Stanford University, July -2002
- Selvin Marry. M (2002), 'Consumer Protection Laws in India- A Study on the Awareness and Utilization by the Consumers in Madurai City', Unpublished, Ph.D. Thesis Submitted to Madurai Kamaraj University, Madurai.

- Majumder Bhaskar (2008), 'Consumer Rights and Human Rights - National Seminar on Consumer Protection in India: Problems and Prospects Centre for Consumer Studies', IIPA, New Delhi.
- Khanna Rakesh (2008), 'Medical Negligence: The Changing Scenario under Indian Law', National Seminar on Consumer Protection in India: Problems and Prospects', Centre for Consumer Studies, IIPA, New Delhi.
- Matthew Hilton (2009), 'Prosperity for All: Consumer Activism in an Era of Globalization', Cornell University Press, Vol- 01.
- Nageshwar Rao, S., (1990), 'Consumer Education in Villages', Indian Journal of Marketing, Vol- 3, April, 1990. pp-12-19,
- Praveen.S and PurushothamRao.P (2004), 'Consumer Protection in Andhra Pradesh - A Case Study of Hyderabad District Consumer Voluntary Organisations and Consumer Redressal Forums', Indian Journal of Marketing, Vol.34, No.7, pp.5-7.
- Suresh Misra (2010), 'Role of Consumer Clubs in Promoting Consumer Awareness and Education in India', An Evaluative Study - Centre for Consumer Studies Indian Institute of Public Administration, New Delhi.
- Sudarsana Murthy.D, Narasaiah.P.V &Mohan. B (2013), 'Performance of Consumer Forums: An Empirical Study of Kadapa District Consumer Forum', Prabandhan Indian Journal of Management, Feb 2013, pp-46.
- Vanisree. D (2013), 'Role of Media in Consumer Protection', Indian Journal of Applied Research, Volume: 3, issue: 8, August 2013, pp.404-409.
- Zend ,J.P and Murali,D. (1994), 'Extent of Consumer Awareness towards fraudulent practices used by the sellers of Hyderabad Appliances', Indian Journal of Marketing, vol. XXIII, pp- 9-12.

