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CHAPTER II      **CONSUMER PROTECTION -  
A CONCEPTUAL FRAMEWORK**

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Meaning of the Concept

Consumerists

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## CHAPTER - II,

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### CONSUMER PROTECTION - A CONCEPTUAL FRAMEWORK

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"IMAGINE a naked body on which leeches, scorpions, cobras and all sorts of venemous creatures are creeping, crawling, stinging and sucking blood".

- A picture of Indian Consumer.

Philip Kotler defines consumerism as a social movement seeking to augment the rights and powers of the buyers in relation to sellers. Consumer Protection is the dedication of those activities of both public and private organisations which are designed to protect individuals from practices that impinge upon their rights as consumers.

"It was announced in Parliament that the Indian Consumer is cheated to the tune of Rs. 2,000 crores annually by short weights, adulteration etc. In a country where the population figure crosses 700 million mark, where more than 50 percent of the people live below poverty line and more than 70 percent of the population is not even literate, cheating is a very mild word to describe the unscrupulous and unforgiveable activities of the suppliers of goods and services. The buyer is helplessly exploited through black-marketing, adulteration, short-weights, false or faulty packaging, dishonest sales gimmicks, poor product quality and services and polluted environment. Not only are the consumers taken for a ride by the manufactuers, but also by

the government, civic bodies and even institutions of learning.

"Caveat Emptor [Buyer Beware] still prevails in our country when it should have swung to 'Caveat Venditor' [Seller Beware]" <sup>1</sup>

We have monuments to the unknown soldier, statues for martyrs, tablets for freedom fighters. But so far, in no country there is a single memorial for the conveniently forgotten man and the victim of our society the poor and the helpless consumer.<sup>2</sup>

Peter F. Drucker in his article "Consumerism: the Opportunity of Marketing" begins with a blunt assertion that after twenty five years of marketing rhetoric, consumerism could become a powerful, popular movement proves that not much marketing has been practised, **Consumerism is the shame of marketing.** He concludes the article by saying that "the consumer movement is an **opportunity for marketing**" and pleads with marketers to regard both consumerism and government not as enemies but as resources.<sup>3</sup>

Consumerism is there from womb to the tomb.

According to Ralph Nader, "What the consumer movement is beginning to say- and must say much more strongly if it is to grow- is that business crime and corporate intransigence are the really urgent menace to law and order .....".

The ignorance of the Indian consumer is the single largest obstacle in the growth of consumer movement in our country. Neither is he aware of his rights and duties as a consumer nor does he have adequate information about the quality, quantity, prices, etc. of the goods and services available in the market". There is thus a wide information gap.<sup>4</sup>

A few decades ago, the buyer was usually quite competent to make most of his own buying decisions. The goods were simple as were his needs, at least by the present day standards. When he required assistance he could turn to a merchant who was probably a trusted friend or at least was proprietor who had developed reputation for providing reliable information.<sup>5</sup>

The market place of today is quite different. The products from which he has to choose have grown enormously in quantity and complexity.

In big shops there are at times thousands of items which are complex, requiring evaluation of product characteristics, having many dimensions. Thus there are professional sellers, but an amateur buyer. This problem gets even more complicated because the time available for shopping with modern consumer is extremely limited.<sup>6</sup>

According to Philip Kotler "Consumerism is an organised movement of citizens and government to enhance the rights and powers of buyers in relation to sellers".

Consumerism is not just about prices, but it now involves itself not merely with the quality of goods, but the quality of life as well. Pollution, the slow destruction of the environment, the danger of monopolies in industry, the quality of public services, degrading employment - these are some of the problems on which the consumer movement is trying to focus public attention.

According to Philip Kotler, "Consumerism is the name of the total marketing concept.. it is a clarion call for revised marketing concept.... its message is not a set back of marketing, but rather points to the next stage in the evolution of enlightening marketing".

Consumerism mobilises the energies of consumers, businessmen and government leaders to seek solutions of several complex problems in a technologically advanced society. It says that a societal marketing is an advance over the original marketing concept and a basis for earning increased consumer goodwill and profits. The enlightened marketer attempts to satisfy the consumer and hence his total well-being on the theory that what is good in the long-run for consumer is good for business.

The root cause of consumer movement or consumerism is "Consumer dissonance" as it has been nicely termed. Dissonance means after purchase doubts, dissatisfaction, disillusion, disappointment. These are the sentiments of dethroned sovereigns [Consumer theoretically is regarded as a King]

The Story of the Indian economy is a fairy tale, in which the consumer, alas, plays the role of Cinderella. It is however, a perverse tale in which the carriage in which Cinderella hopes to ride in luxurious comfort to the royal ball gets transformed into a pumpkin in which she finds herself trapped. Horses become mice who gnaw into her flesh and the ugly sisters who treat her wickedly are transformed into charming beauties who marry the prince and live happily everafter. The roles of two ugly and wicked sisters are played by the producer and the government.<sup>7</sup>

According to Dr. Rao P.S. and Dr. Biradar R.D,  
"Consumerism means a social force to make the business more honest, efficient, responsive, responsible and pressurising the Government to adopt the necessary measures to protect consumer interests by guaranteeing their legitimate rights"<sup>8</sup>

Indian consumer is said to be an apathetic, ignorant, price conscious, irrational, fond of bargaining and lacking information about products. Since he is living in a sellers' market he is neglected and unprotected against the atrocities of business. All this has led to 'Consumerism'.

#### CONSUMERISTS:

Consumerism has leaders or advocates called "Consumerists". These individuals have made certain demands upon marketers and government. They have backed up their demands with publicity, lawsuits, demands and lobbying for new laws, consumer boycotts, demonstrations and other actions. Consumerists have been successful in attracting the support of consumers, journalists, educators, government officials and businessmen. Examples of supports by journalists are in the form of 'letters to editors', 'Complaints about products', etc. Television programmes are devoted to helping consumers.<sup>9</sup>

Hermann, divides the consumerists into three categories, namely:-

#### 1. THE ADAPTATIONISTS:

Who emphasise consumer education with a view to avoid fraud and deception and do not advocate new consumer protection legislation;

2. THE PROTECTIONISTS :

Who are concerned more with health and safety for preventing physical harm. This group includes scientists, nutritionists, physician and others.

3. THE REFORMERS :

These are like adaptationists who wish to improve consumer education and are also like protectionists who wish to ensure individual health and safety. In addition, they desire to increase consumers' voice in the Government and product information.<sup>10</sup>

UTILITY OF CONSUMERISM :

Countervailing Power : Consumerism provides consumers with 'countervailing power'. This consists of power that offsets the power of another party. In a labour market, the power of big business has been offset by the countervailing power of organised labour. Similarly, consumer legislations, consumer protection agencies and actions of groups such as Ralph Nader provide countervailing power to consumers.<sup>11</sup>

Well organised and dynamic consumerism may be expected to produce the following results :

i] Producers and sellers will not take the consumer for granted :

When consumers are strong enough to protect their rights, the businessmen will be compelled to shun unfair trade practices.

ii] Feed Back : Consumerism will provide feedback to the business. It will enable producers to understand consumer needs and wants. This will assist in more effective implementation of the marketing concept or the social marketing concept, depending upon the nature of consumerism.

iii] Reduction of irregularities : Consumerism helps in minimising the imperfections on the distribution front. Several times the supply position is made worse by hoarding and back marketing on the part of traders. Further, many sellers charge a price which is higher than the actual. There is no reason why the consumer and producer should not co-operate to get rid of the unscrupulous traders.

iv] It makes government more responsive to consumer interests, prompts it to take necessary statutory measures and make the required institutional arrangements to safeguard consumer rights.

v] It makes consumers aware of their rights and teaches them 'self-help' in the form of 'self-protection'.

#### DISADVANTAGES OF CONSUMERISM :

##### 1. Consumerism may lead to increase in cost :

Consumerism has some negative consequences. One is that it produces expenses for the marketer.

Marketers incur expenses in such practices as changing packages so that they are in accordance with the law, placing additional information upon labels and in changing production methods. Ultimately atleast part of these costs will be passed on the consumers through higher prices.

Further, research indicates that consumers who have average or higher incomes, rather than the poor, are most likely to take advantage of marketing information.



2. Substitution of the desires of government officials for consumer desires :

Legislators and consumerists decide what the consumers want rather than the marketers.

3. Sometimes government regulators take action that is really not in the interest of the consumer.

4. Frivolous complaints and black-mailing :

Consumerism may lead to frivolous complaints and black-mailing to threaten a trader with some mischevous objective. We have to guard against this mischief potential, because a negative and obstructivist approach could do more harm than an indifferent or unresponsive consumer protection movement. There should be a voluntary code of ethics in this regard.<sup>12</sup>

5. Development of Cynical Attitude :

Consumer movement may over develop doubting, suspecting cynical attitude and complaining about every product or service.

6. Expecting others to do the job :

Majority of the people may become indifferent and expect the forum to do everything for them.

7. Politicising :

Consumer movement should never be taken as an entry into politics.

8. Loose Talk and personal criticism on consumer activities.

9. Mental Blocks :

Adopting methods like protest march, making speeches, shouting slogans or ridiculing government officers and their orders.<sup>14</sup>

Consumer Protection has not been able to form its base in India because of the following reasons :

1. The plight of consumer in India is pitiable. He is the most ignored, harassed and neglected person. The most shocking aspect is that Indian consumer bears all malpractices with exemplary tolerance and patience.
2. There is a huge gap between demand and supply. The lop sided development and perennial shortages has created sellers market and the consumer has no control over price, quality and product mix.
3. Poverty, illiteracy, general apathy and ignorance of the basic consumer rights have made the consumer to accept whatever is given to him.
4. Middle class families effected by demonstration effect.
5. Politics and red-tapsim.
6. Corrupt officials are incharge of carrying out the consumer protection measures.
7. Consumerism has **not infiltrated in the rural areas**. Even in the urban areas it is confined to a few public-spirited citizens.

8. Despite the plethora of consumer protection legislations the consumer is not protected against exploitation. The legal procedures are expensive, extremely long drawn and irksome.

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