

A Study of Consumerism in India

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Abstract:

Consumerism is fast emerging as an environmental force affecting major business decisions as consumers become more aware about their rights. Even though comprehensive statutory measures have been provided in India for curbing unfair business practices, for protecting consumer interest, and for promoting consumerism; companies have yet to do a lot. Consumerism is a protest of consumers against unfair business practices and business industries. It aims to eliminate those unfair marketing practices e.g. misbranding, spurious products, unsafe products, adulteration, fictitious pricing, planned obsolescence, deceptive packaging, false and misleading advertisements, defective warranties, hoarding, profiteering, black-marketing, short weights and measures etc. The paper presents the overview of consumerism in India. The paper focuses on need of consumerism & rights & responsibilities of consumer. The last part of the paper highlights causes & effects of consumerism in India & concluding that the future or success of consumerism in India.

Introduction:

Today, Consumer is called the, 'king of the market'. He is at the center stage of all market activities. It is constant endeavor of producers that the production of product must conform to the needs of consumer. In addition to the satisfaction of consumer, it also the endeavor of producer that their sale should be maximum. They, therefore try to increase their sales by all possible means. Some of the means adopted to increase sale are such as to serve both the producers and the consumers. The last two decades have witnessed an over expanding interest in "Consumerism" and which is in a very critical condition. The word "Consumerism" has to be fully understood in its historical retrospect with reference to the consumer's position in common law, main areas of regulations, controls on advertising, labeling standards, etc. The word consumer means a person who uses or buys goods and services.

The term "Consumerism" has also been used to refer to the 'consumerists' movement, consumer protection or consumer activism, which seeks to protect and inform consumers by requiring such practices as

honest packaging and advertising, product guarantees, and improved safety standards. In this sense it is a political movement or a set of policies aimed at regulating the products, services, methods, and standards of manufacturers, sellers, and advertisers in the interests of the consumer. Consumerism is a movement that promotes the interest of buyers of goods and services. It strives to protect the consumer from unsafe or low quality products, fraudulent advertising, labeling, packaging and business practices that limit competition. It promotes adequate information about the producer so that consumer can take wise decisions in purchasing goods and services.

Consumerism also tries to inform consumers of the effective means of obtaining compensation for damage or inconvenience caused by defective products and services. Consumerism is the policy or programme of protecting the rights and interests of the consumer. Consumerism is a social force to make business more honest and responsible towards consumers. It makes the consumers aware of their rights and also pressurizes the government to adopt the necessary measures to

protect consumer interests. Consumers are often denied their rights in the process of selling. Sellers want consumers as buyers and not as complainants. So, the position of the consumer has been rather weak in relation to the seller. In this regard, consumerism should be regarded as a movement with the involvement of public and the government to protect the rights and interests of the consumers.

Consumerism may be defined as a social movement of consumers seeking redress, restitution and remedy for dissatisfaction that they have accumulated in the purchase of products or service and their performance. Consumerism, to be precise, is an important social movement which aims at protecting the consumers against unethical or immoral marketing practices of private companies as well as public enterprises. It is neither opposed to profits or monopoly, not antagonistic to the large companies or big business houses. It has no concern with the monopoly legislation or foreign exchange control measures. There would be no consumerism if the business firms practice and follow the norms of good conduct and service in the areas of their selling and marketing activities.

Objectives & Research Material of the study:

The study is based on secondary data which is collected from the published reports of ministry of external affairs, newspapers, journals, websites, etc. The study was planned with the following objectives:

1. To study of the consumerism in India.
2. To explain the need of consumerism & rights & responsibilities of consumers.
3. To know the causes & effects of consumerism in India.

Need for Consumerism:

There is a need for social and ethical forces exerting pressure on business environment to safeguard the consumers from:

- Dangerous and inferior merchandise
- False or misleading advertisements
- Unfair trade practices

- Monopolistic and restrictive trade
- Adulteration
- Denied after sale service
- Duplicate or sub-standard goods due to exploitation of consumers by businessmen.

Objective of Consumerism:

The some objective of consumerism one by one following:

1. Safeguard against Malpractices: It is to safeguard the interest for the consumer from the malpractices taken as one's own by the business community such as imposing high prices, supplying low quality goods, creating an artificial shortage.

2. Knowledge to the Consumer: It is on educating and informing the consumers about their rights. Such knowledge makes the consumers aware of their rights.

3. Representation of Consumers: It is to represent the consumer in front of Government bodies. There is Consumer Guidance society are formed to protect the consumer. Consumer guidance society represents the consumer to the government bodies for consumer protection and consumer laws.

4. Publication Unjust Practices: It is to organize peaceful portions against malpractices of businessmen and also against anti-consumer policies of businessmen and government. Consumer movement highlights unethical, abusive and unfair trade practices and tries to put indirect pressure on the business community to adopt certain code of conduct.

5. Encouragement to Business Community: It is to gives co-operation and assistance to the business public in dealing with their actual problems and trials. This positive side of consumer movement boosts the moral of business community.

6. Assistance in Legal Matters: It is to give assistance to the consumer in legal matters. The consumer protection organizations assist individual consumers in legal matters, i.e., the procedure to be followed in filling a complaint to the court, legal advice and assistance, etc.

Sometimes. Association can file a case on its own if the business actions are likely to affect the good number of consumers.

7. Improving the Marketing System:It is to improve the current marketing system. To fight with the present marketing system with a view to improving it and making it more fair and favorable to consumers. It initiates all measures, which removes ills of present marketing machinery and forces business interest to adopt code of ethics.

8. Creating Association: Objective of consumer movement is to strengthen consumers to construct consumer protection alliances at the local level.

9. To Discourage Antisocial Activities:It is discouraging antisocial activities. If consumers are well organized, the producers and sellers cannot adopt anti-social activities like hoarding, adulteration, black marketing, short weights and measures, etc.

10. To Awaken the Government:It is to persuade the government to pass the necessary laws and to implement them for the protection of interest of consumers.

Consumerism in India:

The governments as well as voluntary organisations have taken a number of measures to protect consumer interest.

1. **Legislative measures** - Government has enacted above 50 laws which are in favour of consumers. It empowers the government to control the production, supply, price, quality, condition for sale and nature of trade. Consumer exploitation means mistreatment or cheating with consumer by adulteration, in any other unfair form. To prevent consumer from exploitation our governments have passed many Acts from time to time. Some of them are as follows:

1. Drug and Cosmetics Act, 1940
2. Prevention of Food Adulteration Act, 1954
3. Essential Commodity (supply) Act, 1955

4. Monopolies and Restrictive Trade Practices Act, 1969

5. Standard of Weights and Measures Act, 1976

6. Consumer Protection Act, 1986

2. **Development of public sector** – it took serious measures to set up an efficient public distribution system (PDS).

3. **Institutions to Deal with Consumers' Grievances:** The citizens of India have Institutional machinery, to deal with consumers' grievances, working at all levels: National, State and District. There are two types of institutions-

1. Government Councils
2. Consumer Courts

Besides this there are also several Non-Governmental Organizations (NGOs) registered under the government law which provides various kinds of support to the aggrieved consumers.

1) Government Councils:Read the following to know the government councils working at national and state levels. Consumer Protection Machinery at the government's level below:

1. Central Consumer Protection Council
2. State Consumer Protection Council

2) Consumer Courts:Read the following to know the types of Consumer Courts working at national and state and district levels. The Consumer Courts in India:

1. National Consumer Disputes Redressal Commission (NCDRC)
2. State Consumer Disputes Redressal Commission (SCDRC)
3. District Consumer Forum (DCF)

Above there are three layers of Consumer Courts in India. At the bottom is the District Consumer Forum (DCF) at the district level in the state. There are 604 District Forums in the country now. At the mid-level there is State Consumer Disputes Redressal Commission (SCDRC). There are 35 State Commissions in the country. Finally at the top there is an apex body known as National

Consumer Disputes Redressal Commission (NCDRC) working hand-in-hand to provide cheap, speedy and simple redressal to consumer disputes in the country.

4. Voluntary Organisations:-

1. The Indian Consumer Council
2. CAG, Mumbai (citizen action group)
3. Voice, New Delhi
4. Consumer's action forum, Delhi, Kolkata.

Functions performed by voluntary organisations:-

1. To educate consumers
2. To collect samples and test them.
3. To file suit on behalf of customers
4. To prevent adulteration
5. To help educational institution

Rights of Consumers:

1. Right to Information
2. Right to Choose
3. Right to Safety
4. Right to be heard
5. Right to Seek Redressal
6. Right to Consumer Education
7. Right to Healthy Environment
8. Right to Basic Needs

Consumers Responsibility:-

1. Do not buy in hurry or blindly
2. Beware of false advertisements
3. Do not compromise on quality
4. Buy only goods with eco mark (ISI, AGMARK)
5. Always ask for receipt and guarantee card
6. Approach immediately in case of complaint

Causes for Consumerism:

The major causes for the evolution of consumerism have been the continuous rise in prices, underperformance of product, quality of the service, Shortage of product and deceptive advertising.

1. **Rising prices:** The value of a rupee was a rupee in 1949 matching its full face value. But now it is worth less than 10 paise. The

pricing theory holds that price is directly related to quality and quantity. But prices of mass consumer goods such as soaps, tooth paste etc., are 10% — 20% above the real prices. So, often dealers earn a good margin of profit and create an artificial demand for them.

2. **Adulteration:** Unscrupulous traders indulge in adulteration. They make illegitimate and abnormal profit through adulterated products. Adulteration involves cheap ingredients mixed with the product intended for sale. Such adulterated product is detrimental to health. A survey says about 25 to 35% of the food we eat today is adulterated. Presences of stones in grains, cheaper fats in ghee, mixing of coconut oil with palmoleins etc., are common in adulteration. They all leave behind harmful effects on consumers.
3. **Duplication:** Duplicates are made for all types of products like automobile components, medicines, blades, pens, watches; clothes and even currency notes. Consumers are not able to differentiate the original products from duplicates. Duplicate products are available through wide marketing network undertaken by dishonest traders. Some home made products are stamped "Made in Japan", "Made in USA" just to lure the consumers.
4. **Artificial demand:** When the price of a product is steadily increasing, some traders buy in bulk and hoard them. They put up a sign "No stock" in front of their shops, though stocks are in abundance with them. As a result, consumers pay higher prices because of the artificial scarcity created. In certain cinema houses, selling tickets in black is quite common. Though seats may be vacant, these theaters will be claiming "full house". But the sale in 'black' will be very brisk outside the theater.
5. **Sub-standard products:** Substandard products are made using inferior raw materials or by cutting short the required

production processes. After a product is well received in the market, some manufacturers deliberately downgrade the quality of the product without reducing the price. Customers cannot inspect the goods as they are packed and sealed. Only after the use of the goods purchased, they will be in a shock.

6. **Product risks:** Some products are valid or potent only for a particular period. Example: medicines, drugs, fruits, etc. On the expiry of a particular period, consumption of such items proves to be detrimental to health.
7. **Misleading Advertisements:** Misrepresentation of facts, false claims, cheating do occur in advertising. An advertiser may make a tall claim about the usefulness of his product, just to lure the consumers to buy them, whereas the product may not be as useful. So, consumers should be protected against deceptive advertisements.
8. **Warranty and service:** At the time of sale, sellers guarantee a good performance of the product they sell. If a product becomes defective after being sold, buyers are not given any remedy for the defect noticed in the goods. In such cases, remedy is available through consumer redressal forums.
9. **Fitness of products:** Salesmen are supposed to assist the buyers in making wise selection of goods. The products that buyers buy must suit their needs. Product fitness refers to product quality, durability and suitability in relation to the purchase objective of the consumers. But most of the goods are sold by pressurizing the buyers.
10. **Consumer exploitation:** consumers are exploited in the following ways:
 1. Supply of sub-standard materials
 2. Goods that fall short of the actual weight claimed
 3. High prices charged for goods and services
 4. False advertisements

5. Artificial scarcity to earn abnormal profit
6. Hoarding and black marketing of goods
7. Cheating through contests, puzzles, etc.
8. In genuine mail order sale
9. Denying free repair or replacement during guarantee period
10. Adulteration of goods.

11. **Problems of assembling products:**

Products of the modern days are a combination of many products assembled to perform a special function. For example, television, clocks, computers, household appliances, etc. Several such components are not visible to the eye and therefore cannot be inspected by the consumers. Even if they can be inspected, consumers may lack the technical knowledge to assess them.

12. **Augmenting rights and powers of buyers:**

In a free democratic society, sellers have certain rights subject to the condition that the buyers are provided with safe and healthy products. In the same manner the buyers have certain rights. They have the right to expect the product to be safe and worth the price they pay. But these traditional rights of the buyers are not enough to maintain a power balance between the buyer and seller, where the consumers could not get complete and genuine information about the products they buy. The genesis of the consumer movement lies in expanding consumer rights.

Effects of Consumerism:

There are some positive & negative effects such as:

Primary positive consumerism effects are:

- More industrial production.
- A higher growth rate economy.
- More goods and services available.
- More advertising since goods manufactured have to be sold.
- Increased production will result in more employment opportunities.
- A variety of goods and services to choose from.

- More comforts for a better living style.

Top negative consumerism effects are:

- Craving for goods is high. The wants and desires of the people increase. The better their income, the better their purchasing power. But in case, they are not able to do so, and then they feel dissatisfied.
- One is in a rat race to earn more and is forced to cope up with stress and other work related tensions.
- Material wealth is the deciding factor about whether a society is highly developed or not. Spiritual values are underplayed. This may not be suitable to a person from the East, who generally is appreciative of spiritual values.
- Over-dependence on labor saving devices.
- A car for each individual would mean gradual erosion of public transport.
- Crime rate also increases as wants to possess expensive gadgets increase. Thefts become common and daylight robberies take place.
- Personal relationships also get affected as people are busy trying to earn more to maintain their standard of living.
- Cheaper goods are imported from other goods affecting the growth of locally based manufacturing industries.
- Consumerism has also resulted in ecological imbalances. The natural habitat is being destroyed to create more goods and build more buildings affecting the weather. Global warming

will eventually result in health problems. Industrial pollution is affecting people in many ways.

- People lifestyles have also changed in the sense they are more lavish, full of material comforts rather than focusing on simplicity. Consumerism is also depleting the natural resources of the respective country.
- Psychological health also can get affected if one's desires are not meant such as depression. Jealousy and envy can lead to crime.

Conclusion:

In the overall study, the consumerism has necessitated giving high priority for the protection of the consumers and promotion of responsible consumer movement in the country. Modern technological growth and complexities of the sellers' techniques, existence of a vast army of middlemen and unethical and untruthful advertisements have aggravated the situation of consumer exploitation. The consumer has to be aware of his rights and play a key role. The success of consumerism is a strong function of consumer awareness and to avoid exploitation consumer must become knowledgeable. Many constitutional provisions have been made by government to protect the consumers. Until and unless the consumers avail of these provisions, the protection of consumer becomes inevitable. There is a great need to make them aware of their rights and responsibilities.

"Consumer is the king of market, if he is getting exploited than the market will be ruined."

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