

## **“An Overview of the Evolutionary Perspective of Consumerism and the Need of Consumer Protection in India”**

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### **ABSTRACT**

Consumer movement is a universal phenomenon. There are many practices whereby consumers are not only being denied by their basic rights but being deceived too. Consumerism is the wider sense includes organized efforts of consumers seeking redress, restitution and remedy for dissatisfaction, that they have accumulated in the acquisition of their standard of living. The consumers particularly in India are unorganized and relatively uniformed. On the other hand, the traders and businessmen are organized and well informed. Many of the businessmen take this advantage and exploit the consumers through the mass advertisement, wrong sales promotion tactics, misleading publicity etc. The purpose of this study is that to mention about the evolution of consumerism, the unique problems of the customers and to find out the various ways of consumer protection of which the consumers can use as a weapon in their hands which can be used for their protection against the fraudulent and misleading practices.

**Keywords:** Consumer, Consumerism, Consumer evolution, Consumer protection, Consumer education.

### **INTRODUCTION**

Consumerism is a public movement which protests against certain marketing practices. It is a social movement and not just protests by an individual consumer or a group of consumers. 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. 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. Consumer exploitation and its serious consequences faced by the consumers on a global scenario over centuries have mainly resulted in awareness of their exploitation and rights among consumers. An attempt is made here to identify several types of consumer exploitation causes of consumerism, efforts undertaken in consumer education, establishing several machineries for accepting consumer complaints or grievances its redressal both by mutual understanding and by legal action in the matter, framing of laws and

21their amendments from time to time to make them more effective and purposeful etc.

Consumerism is a collective consciousness on the part of consumers; business, government and civil society to enhance consumer satisfaction and social welfare which will in turn benefit of all the mankind finally make the society a better place to live in.

### **LITERATURE RIVIEW**

Consumerism has been the subject of considerable discussion over the last four decades. This social movement which has sought to help consumers attain safer products, more information, adequate selection, and better access to redress mechanisms--has been examined by researchers from numerous disciplines using a wide variety of research approaches. These researchers have sought to describe, explain, predict, and control the overall consumer movement and the organizations, individuals, and issues that have made up the movement. Put differently, one could say that these researchers have studied consumerism extensively on both a macro and micro level.

In present situation, consumer protection, though as old as consumer exploitation, has assumed greater importance and relevance. Consumerism is a recent and universal phenomenon. It is a social movement. Consumerism is all about protection of the 133 interests of the consumers. According to McMillan Dictionary (1985) "Consumerism is concerned with protecting consumers from all organizations with which there is exchanged relationship. It encompasses the set of activities of government, business, independent organizations and concerned consumers that are designed to protect the rights of consumers".

The Chamber's Dictionary (1993) defines Consumerism as the protection of the interests of the buyers of goods and services against defective or dangerous goods etc. "Consumerism is a movement or policies aimed at regulating the products or services, methods or standards of manufacturers, sellers and advertisers in the interest of buyers, such regulation maybe institutional, statutory or embodied in a voluntary code occupied by a particular industry or it may result more indirectly from the influence of consumer organizations.

According to Philip Kotler, consumerism is the concept which is limited not only to the organized efforts, but, it is the social movement seeking to augment the rights and powers of buyers in relation to sellers. According to Richard H. Buskirk and James, Consumerism is an organized efforts of the consumers seeking redress, restitution and remedy for dissatisfaction they have accumulated in the acquisition of their standard of living.

#### **RESEARCH OBJECTIVE**

This article aims to highlight the evolution of consumerism and about the consumer protection. With this it is also discussed that what kind of problems here consumers are facing in their daily life by the fraudulent businessmen and how such kind of manipulation can be reduced by different ways

with the help of different Acts introduced by the Government.

#### **RESEARCH METHODOLOGY**

In this Research Paper, the study and collection of data is done on the basis of secondary data i.e., by referring the various books, journals, articles, online websites etc.

#### **CONCEPTUAL STUDY**

##### **Defining Consumer:**

According to oxford advanced learner's dictionary the word consumer means "A purchaser of goods or uses services". And In Black's Law Dictionary, it is explained to mean 'one who consume individuals, who consume, individuals who purchase, use, maintain, and dispose of products and services'. A member of that broad class of people, who are affected by pricing politics, financing practices, quality of goods and services, credit reporting, debt collection and other trade practices for which state and federal consumer protection laws are enacted. But the definition of the term 'consumer' given in clause (d) of section 2(1) of the Act is comprehensive one so as to cover not only consumer of goods but also consumer of services.

**Consumerism** essentially means the growing wants and needs of an individual for goods and services. India is one of the largest and fastest growing economies in the world. The consumer's standard of life is going higher and hence his needs are escalating as well. Consumerism in India, is in a new high, and refuses to show signs of budging anymore. The Indian consumer, due to his exposure, of the global market, strives to get the best of the goods in his home land.

Consumer tastes and preferences are definitely changing. Even children have their own preferences. The retail sector- both organized and unorganized, strive hard to cater to the vast range of the Indian consumers. The retail sector in India, with its present pace, is expected to **grow at a rate of 25%- 30% annually**. Consumerism is the equating of personal happiness with the purchasing of material

Possessions and consumption. Consumerism is a social and economic order based on fostering a desire to purchase goods and services in ever greater amounts. The term is often associated with criticisms of consumption starting with Thorstein Veblen. Veblen's subject of examination, the newly emergent middle class arising at the turn of the twentieth century, comes to full fruition by the end of the twentieth century through the process of globalization. The term "consumerism" is also used to refer to the consumerist 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 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 buyer.

#### **EVOLUTION OF CONSUMERISM**

The idea of 'consumerism' was first conceived in USA around the beginning of the country. The evolution can be studied in three distinct phases as follows:

- 1. Around 1990:** The business firms dealing in meat packing were least concerned with the consumers. Meat used to be sold in the unhealthiest manner. This affected the health of consumers. Even many other firms used to produce dangerous, unwanted products and drugs and sell them to the consumers by adopting manipulative devices. Conscious and sensible become disgusted with this sort of affairs and started campaign to preserve the interests of the consuming the public.
- 2. Around 1930:** Consumerism assumed more importance because people in general become more enlightened and concerned with the standards of good quality products. This was possible on account of

education, awareness and political consciousness. Although consumerism did not become a serious public movement during this time, the government came up with a legislation called Miller-Tiching Act, 1936 in order to regulate certain marketing mal-practices.

- 3. During 1960s:** It is in the sixties of this century consumerism became a very forceful social movement. Late President Kennedy, in the year 1962, passed a legislation to protect the consumers' rights particularly with regard to false advertising and unhealthy packaging of food and other articles.

The consumerism movement reaches its height when a serious criticism was leveled against the 'unsafely' of automobile companies which caused death to many people. The government passed the legislation on product safety compelling the automobile companies to adopt safety methods. The government also passed much other legislation to control pollution. Business firms in the beginning criticized consumerism starting that they had been taking due care in product quality. But later on they start setting up consumer affairs cell to deal with consumer disputes of allegations.

In India, consumerism has been active for some time past. A few years ago adulteration of food articles was sought to be presented by the Food Adulteration Act, in India. Inspectorate Departments were set up in all states of India to implement and supervise the act was followed. To a certain extent, it has done well because false weights and measures have been checked and food adulterations had been controlled to great extent.

The major causes of consumerism in India have been identified as rising prices, poor product performance and service quality, product shortages and deceptive advertising shortages and inflation. Government has been very responsive to the consumer needs through

legislative action. Economic discontent has been generated out of skirling inflation. Thus it has become necessary for the consumers to stand up for their rights through an effective organization in order to redress the grievances'.

#### **Unique problems faced by Indian consumers**

Consumer is the most neglected being in the present scarcity ridden society. A business unit can not dare to ignore its consumers, if it wants to flourish. But even after a lot of Acts and Rules, a number of problems are suffered by the consumers. We have explained the major problems faced by consumers with the help of the following points:-

**(1) Lack of Information:** The main problems faced by consumers are lack of information. The customers even do not know the sources of getting information.

**(2) Illiteracy:** Most of the consumers in urban and remote areas are illiterate and they are not able to understand the policies of the organization or the government, even they donot understand uses or misuses of products.

**(3) No Fair Return:** The customer, though pay high price for the goods the purchase, but many times they do not get satisfaction from the goods they have purchased.

**(4) Exploitation:** The consumers in Indian market are exploited by the sellers. Sellers create artificial scarcity, hoarding, black marketing, high prices etc.

**(5) Adulteration:** Most of the times consumers even after paying high price, do not get pure or we can say quality goods. The organization usually supplies adulterated goods for their profit maximization.

**(6) Irregular Supply:** One of the common problems faced by consumers is an irregular supply of goods. This is because of shortage of goods. The organizations create artificial scarcity of necessary goods by hoarding these goods resulting in high prices.

**(7) Attractive Packing:** The packed goods supplied in the market, are not up to the mark. The packing is very attractive and it attracts the attention of consumers. The packets may

contain inferior goods thereby fooling consumers.

**(8) Disorganized Customers:** This is also one of the most common problems faced by consumers nowadays. The customers are widely scattered and they are not united. As against this the producers are organized and united. Because of various reasons it is not possible for customers to come together & fight. This results in consumer exploitation.

In our **Indian system**, the consumer has **six rights** given for his protection from exploitation from the shopkeepers or sellers.

**Consumer exploitation** means mistreatment or cheating with consumer by adulteration, Thagi or in any other unfair form. To prevent consumer from exploitation, our government 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

#### **Benefits of Cosumerism:-**

It is very necessary to have, a well developed consumerism in India, for the benefit of and to protect the consumer rights. But, inspire of the best efforts put forward by the various consumer organizations, not much consumerism with practical utility has taken place in the country. This is partly because of the lack of consumer education among the public and partly, because very often the mass consumer protests demonstrated against market imperfections, has the involvement of the vested interests of the political parties. Further, the little organized consumer movements has generally been confined to the major urban cities and towns, whereas there is a huge majority of consumers in the rural areas, who have not been involved in such movements. It organized well, with involvement of many more consumers, will

gain momentum and benefit the consumers in many ways such as;

- Consumer education
- Liaison with Government and the producer
- Product research and inform to consumer
- Demand driven economy
- Status of king for the Consumer
- A more responsive government
- Minimize imperfections

**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 choice for goods and services
- More comforts for a better living style.

**Methods of Consumer Protection**

There are four main methods of protecting the interests of consumers: -

**1. Business Self-regulation**

- Businessmen can regulate their own behavior and actions by adopting higher ethical standards.
- Trade associations and chambers of commerce can check unfair trade practices used by some businessmen.

**2. Consumer Self-help**

- Every consumer must be alert as self-help is the best help.
- He should educate himself and know his rights and should not allow unscrupulous businessmen to cheat him.

**3. Consumers' Associations**

- Consumers should form voluntary associations.
- These associations can educate and awaken consumers.
- They can take organized action and put pressure on businessmen to adopt fair trade practices.

**4. Government Regulations**

- The State can ensure consumer protection through legislative, executive and judicial actions.
- The laws enacted by the Government must be strictly enforced by the executive.
- Government of India has enacted several laws to protect the interests and rights of consumers

**CONSUMER PRIORITIES**

Consumers do not ask for technologies; frequently they do not know details of how food is grown, harvested, processed or distributed. They expect the food industry to deliver products with benefits important in their lives. Consumers want great tasting, convenient, healthy products. Food safety and worker safety are basic expectations. Many passively or actively support food production methods that are sustainable with minimal environmental impact.

Consumer attitudes and knowledge are affected by information received. Television, newspapers, magazines, the internet, books and family and friends are influential sources of information on food and health (American Dietetic Association 2000; Cogent 2006). Information from these sources in addition to traditional methods of communication like advertising and product labeling affect purchase decisions.

**Need and reasons of consumerism in the country.**

The need of strong consumerism in our country is on account of the following reasons:

1. In vast country like India, it is very difficult to organize the consumers. The people besides being the backward have linguistic, cultural and religious difference which makes the problems quiet intricate or complex.
2. Majority of our population is illiterate, uneducated, ignorant and ill-informed.
3. Poverty, lack of social awareness, accepting life as it is and passive

outlook are some of the factors which make consumer movement difficult to increase.

4. There may not be a positive common objective for the consumers except their desire for safe quality products, for reasonable price and a feeling of strong negative reactions against the products. In wake of large scale production and the variety and choice conferred on the consumers, a consumer needs guidance which can only be appropriately provided by a consumer organization.
5. The advertisement bombarded on the consumers make them quite confused and hence again a need for consumer guidance

### **Consumer's Rights and Responsibilities**

Consumer rights are now an integral part of our lives like a consumerist way of life. They have been well documented and much talked about. We have all made use of them at some point in our daily lives. Market resources and influences are growing by the day and so is the awareness of one's consumer rights. These rights are well-defined and there are agencies like the government, consumer courts and voluntary organizations that work towards safeguarding them. While we all like to know about our rights and make full use of them, consumer responsibility is an area which is still not demarcated. In this chapter, I will give an overview of the 8 consumer rights, their implications and significance for a developing country like India, and also define the various aspects of consumer responsibility. Every year 15th March is observed as "World Consumer Rights Day".

### **As Under section-6 of Consumer Protection Act, consumer has the following rights:**

1. **Right to safety:** It is Right to safety against such goods and services as are hazards to health, life and property of the consumer. For example, spurious and sub-standard drugs ; appliances

made of low quality of raw material, such as, electric press, pressure cooker, etc. and low quality food products like bread, milk, jam, butter etc. Consumers have the right to safety against loss caused by such products.

2. **Right to be Informed/ Right to Representation:** consumer has also the right that he should be provided all those information on the basis of which he decides to buy goods or services. This information relates to quality, purity, potency, standard, date of manufacture, method of use, etc. of the commodity. Thus, producer is required to provide all these information in a proper manner, so that consumer is not cheated.
3. **Right to choose:** Consumer has the full right to buy goods or services of his choice from among the different goods or services available in the market. In other words, no seller can influence his choice in an unfair manner. If any seller does so, it will be deemed as interference in his right to choice.
4. **Right to be heard:** Consumer has the right that his complaint be heard. Under this Right the consumer can file complaint against all those things which prejudicial to his interest. First there rights mentioned above (Right to Safety; Right to be Informed; Right to choose) have relevance only if the consumer has right to file his complaint against them. These days, several large and small organizations have set up Consumer service cells with a view to providing the right to be heard to the consumer. The function of the cell is to hear the complaints of the consumers and to take adequate measures to redress them. Many newspapers like The Economic Times have weekly special columns to

entertain the complaints of the consumers.

5. **Right to Seek redress:** This provides compensation to consumer against unfair trade practice of the seller. For instance, if the quantity and the quality of the product do not confirm to the promise of the seller, the buyer has the right to claim compensation, such as free repair of the product, taking back of the products, changing of the product by the seller.
6. **Right to consumer education:** Consumer education refers to educate the consumer constantly with regards to their rights. In other words, consumers must be aware of the rights they enjoy against the loss they suffer on account of goods and services purchased by them. Government has taken several measures to educate the consumers. For instance, Ministry of civil supplies publishes a quarterly magazine under the title "Upbhokta Jagran". Doodarshan telecasts program titled "Sanrakshan Upbhokta Ka".

**In addition to this six rights of consumer given by govt. of India, the United Nations organization also given two rights:**

1. **Right to Basic Needs:** The Basic need means those goods and services which are necessary for the dignified living of people. It includes adequate food, clothing, shelter, energy, sanitation, health, care, education and transportation. All consumers have the right fulfill these basic needs
2. **Right to Healthy Environment:** This right provides consumers the protection against environment pollution so that the quality of life enhanced. Not only this, it also gives stress that the need to protect the environment is for future generations as well.

### **Consumer's Responsibilities**

The consumers have a number of rights regarding the purchase of things, but at the same time they have some responsibilities too. It means that the consumer should keep a few things in mind while purchasing them.

**They are as follows:**

1. **Consumer should exercise his right:** Consumers have many rights with regard to the goods and services. They must be aware of their rights while buying. These rights are: Right to safety, Right to be informed, Right to representation, Right to seek redressal, Right to consumer education, etc.
2. **Cautious consumer/ do not buy blindly:** The consumers should make full use of their reason while buying things. They should not take the seller's word as final truth. In other words, while buying consumer must get information regarding the quality, quantity, price, utility etc. of goods and services.
3. **Filing complaint for the redressal of genuine grievances:** It is the responsibility of a consumer to approach the officer concerned there is some complaint about the goods purchased. A late complaint may find that the period of guarantee/warranty has lapsed. Sometimes, consumers ignore the deception of businessmen. This tendency encourages corrupt business practices
4. **Consumer must be quality conscious/Do not compromise on quality:** The consumers should never compromise on the quality of goods. Therefore, they should not buy inferior stuff out of greed for less prices. If the consumers behave like this, there cannot be any protection for them from any quarter. It is also the responsibility of the consumers only to buy goods with the ISI, Agmark, Wool

mark, FPO etc. printed on them. All these symbols indicative of the good quality of the goods.

5. **Advertisements often exaggerate /Beware of false advertisement:** The seller informs the consumer about their things through the medium of advertisement. The sellers exaggerate the quality of their goods. Therefore, it is the responsibility of the consumers to recognize the truth of advertisement.
6. **Do not forget to get Receipt and Guarantee /warrantee card:** One should always get a receipt or bill for the things purchased. In case a guarantee/warrantee card is also offered by seller, it should also be taken. In case the goods purchased are of inferior quality or some defects appears and bothers the customers, these documents will be of great help in settling all kinds of dispute with the seller.
7. **Do not buy in hurry:** The first important responsibility of consumers is that they should not buy in hurry. It means that the consumers should make an estimate of the things they want to buy their along with their quantity required by them. They should also take in consideration the place from where to buy the things.

#### **COSUMER PROTECTION ACT, 1986**

The Consumer Protection Bill, 1986 seeks to provide for better protection of the interests of Consumers and for the purpose, to make provision for the establishment of Consumer councils And other authorities for the settlement of consumer disputes and for matter connected therewith. The Consumer Protection Bill, 1986 was passed by both the Houses of Parliament and it received the assent of the President on 24th December, 1986. It came on the Statutes Book as the Consumer Protection Act, 1986 (68 of 1986).

#### **LIST OF AMENDING ACTS**

1. The Consumer Protection (Amendment) Act, 1991 (34 of 1991).
2. The Consumer Protection (Amendment) Act, 1993 (50 of 1993).
3. The Consumer Protection (Amendment) Act, 2002 (62 of 2002).

Government of India has made consumer protection **act** in 1986. The main aim is to protect consumers from immoral practice of business organizations. We see in general when a company or business concern becomes monopolize in market , then that company starts to get benefits of his monopoly powers by illegal ways. This law is very helpful to secure consumers and customers from such cheating and market frauds.

#### **Main features of Consumer protect Act 1986**

1. Under this act, consumers have right to get information of quality, quantity and price of products.
2. Under this act, consumer has power to sue in district forum and report or complaint against the cheating of businessmen to the authorities and get remedies for this.
3. This act also awakes consumers regarding their rights and powers. In other words, it helps to educate consumers about his rights.

After spending one decade this act becomes stricter for all cheaters who commit cheating with consumers.

#### **Main authorities under Consumer protect act 1986**

##### **Districtforum**

This forum has power to solve the problems of consumers up to Rs. 500000 at district level. State govt. has power to make suitable numbers of district forum for protecting the rights of consumers. This forum can be made by district judge and other experienced persons in the field of law and commerce.

##### **Statecommission**

Consumer can also appeal to state commission against the decisions of district forum. State commission has power to solve the problems of consumers from Rs. 500000 to Rs. 2000000.

This commission can be made by state high court judges and 2 experts in the field of commerce and laws.

#### **National Commission**

National commission has power to solve all consumers' disputes and problems more than 2000000 Rs. The chairperson of this commission will be the retired Supreme Court judges and other 4 experts in the field of commerce and laws and industry. Out of four, it is necessary to include one lady member in the four expert team.

#### **CONCLUSION**

Today, most of the industries have realized the value of adopting relationship marketing with their customers. In a broader prospective, this can be extended to become its social responsibility. This means the firms must adopt a sound and proper marketing system. It must ensure that all the products offered by it

have seen tested and proven to be within the safety norms. In case of consumer complaints, the same has to be handled properly and also a quick and smooth method of redressal is to be adopted by the firms. They should also use advertising as a method of communication only to convey the correct information. So as to be able to contribute to consumerism, the firms also should extend a helping hand and give information and educate the consumers, apart from investing the Research and Development to come out with products and services to match the rising needs and expectations of the consumers.

Thus, combined efforts of the consumers, businesses and the Government will be required to give consumerism the desired upliftment and make the Government more responsive and effective and the business more responsible and obliging.

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