



AN OVERVIEW AND THEORETICAL PERSPECTIVE OF CONSUMERISM IN INDIA

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Abstract

Unemployment and poverty are the main black mark in a developing country in India. Now-a-days many hazardous things are happening which leads a country in dilemma. Consumers are main hands for a country to be developed as the product, consumer, seller, globalization are interdependent to each other. Selection and choice plays a vital role by a consumer in an economy. If this right is denied to a citizen. It leads to formation of many consumers movement in order to save the consumer. Adulteration, hoarding, black marketing are also the main reasons for the cause of consumer movement in India. The process of globalization, privatization and liberalization in present situation gives a consumer, a choice and many advantages to buy a product by his own satisfaction. The Government of India has passed the Consumer Protection Act in 1986. This is a landmark in the history of consumer movement in India because it is applicable to the whole of India and to all goods. It seeks to set up courts in each state with powers to punish the guilt by heavy fine and imprisonment. Among consumers under Indian conditions, the literacy level is low and purchasing power is poor. But one must be aware of one's rights and should not hesitate to exercise them in right direction. To face the businessmen, who are well organized, the consumers should also create strength by organizing themselves into a strong body-cooperation. Not everyone in a country is satisfied with he/she buys. In order to protect the hearts and hands of a country many rights have been introduced. This paper discusses at length the concept of consumerism, issues and solution with special reference to Indian conditions.

Introduction

Out with the old and in with the new." Consumerism is one of the biggest challenges the world faces today. Consumerism is a social economic ideology that encourages the gain of goods by services in good amounts. Globalization made the middle class rise at turn of the twentieth century. Consumerism is considered a part of media culture. A modern movement for the protection of the consumer against useless, inferior or dangerous products, misleading advertising, unfair pricing etc.. In an abstract sense, it is the consideration that the free choice of what is produced and how and therefore orients the economic organization of a society. The retail sector both organized and unorganized strive hard to cater to the vast range of the Indian consumers.

A consumer is said to be king in an economy as no company exist without consumers. Producer of goods and services could be from any of the sector such as agriculture, industry or services. Consumers participate in the market place by purchasing final goods and services that need. There is a need for rules and regulations to ensure protection for consumers as exploitation in the market place happens in different ways. If any consumer gets a poor quality product and they dare to complain about it to shopkeeper or the consumer forum. Consumerism is used as a reference to the action of people buying goods and services. It originally started in Ancient Egypt and Ancient Rome, however the concept of consumerism is known since the late 19th century and early 20th century.

Consumerism started becoming politically and economically vital for all markets, because the more people buy, the more they won money and good reputation. Industries are getting more and more powerful thanks to the people buying what they want and not what they need. Consumerism is related to the constant purchasing of new goods, with little attention to their true need, durability, product origin, or the environmental consequences of their manufacture and disposal. It is driven by huge sums spent on advertising designed to create both a desire to follow trends, and a personal feeling of satisfaction based on acquisition.

Objective: To present a brief historical review on Consumerism and The Consumer Protection Act 1986.

Methodology

This paper is based on secondary data and qualitative analysis. Secondary data have been collected from various journals like, Journal of Marketing, Indian Journal of Applied Research, Journal of Marketing Research, Journal of Consumer Marketing and Journal of Consumer Affairs etc. and books on Consumerism.

Need For Protecting The Consumers

There is a need for rules and regulation to ensure protection for consumers as exploitation in the market place happens in different ways. Markets do not work fairly when producers and service providers are few and powerful, whereas consumers purchase in small amounts and are scattered. This happens when large companies are involved in production of goods. These



companies can manipulate the market by passing false information through the media and other sources to attract consumers. The government understood the need to protect consumers from unscrupulous suppliers and several laws have been made for this purpose. Many a time, the imperfections on the supply side, like hoarding and black marketing, mercilessly gouge the consumer. Hence, a socially responsible producer should see to it that whatever is produced reaches the ultimate consumer in time and at reasonable prices.

Consumer Movement

In India, the consumer movement as a social force originated with the necessity of protecting and promoting the interest of consumers against immoral and unfair trade practices. When consumer was not happy with particular brand, he was forced to avoid buying that brand product. Rampant food shortages, hoarding, black marketing, adulteration of food and edible oil gave birth to the consumer movement in an organized form in the 1960s. Till the 1970s, consumer organizations were largely engaged in writing articles and holding exhibitions. They formed consumer groups to look into the malpractices in ration shop and overcrowding in road transport. In recent year, India witnessed growth in the number of consumer groups.

Consumer Protection Act 1986

As a result of all efforts since 1960s, the consumer movement succeeded in bringing pressure on businesses and firms, as well as government to improve business conduct, which earlier was against the interests of consumers at large. In this regard a major step taken in 1986 by the Indian Government was the enactment of the consumer protection Act, 1986. This is a landmark in the history of consumer movement in India because it is applicable to the whole of India and to all goods. It seeks to set up courts in each state with powers to punish the guilt by heavy fine and imprisonment. The Consumer Protection Act is an act to provide for better protection of the interests of consumers and for that purpose to make provision for the establishment of consumer councils and other authorities for the settlement of consumers' disputes and for matters connected therewith. This Act provides for three-tier machinery for the redressal of consumer grievances at the District level, State level and National level, the consumer may make complaint in writing to the following Forums set up by the State, Central Government for redressal of Consumer Grievances.

District Forum

A consumer Disputes Redressal Forum to be known as "District Forum" is required to be established by the state government with the prior approval of the Central Government. It consists of a president and two members appointed of the State Government. The president of the Forum is required to be a person who is, or has been or is qualified to be a District Judge. Of the two members, one must be a person of eminence in the field of education, trade or commerce and another must be a lady social worker. The jurisdiction of the forum is to entertain complaints where the value of goods or services and the compensation claimed is less than rupees five lakhs.

State Commission

A consumer Dispute Redressal Commission to be known as "State Commission" is required to be established by the State Government with the prior approval of the Central Government in the state. It shall consist of president and two other members to be appointed by the State Government. The president should be a person who is or has been a Judge of a High Court, appointed by the State Government. The two other members should be persons of ability, integrity and standing and should have adequate knowledge or experience of, or have shown capacity in dealing with problems relating to economics, law, commerce, accountancy, industry, public affairs or administration, one of whom should be a woman. The original jurisdiction is vested in the commission in respect of complaints where the value of goods or services and the compensation so claimed exceed rupees five lakhs but not more than twenty lakhs.

National Commission

The highest authority to settle the consumer disputes under the Act is an independent statutory body called National Commission. This National Commission shall consist of a president and four other members to be appointed by the Central Government. The president should be a person who is or has been a Judge of the Supreme Court. The persons to be appointed as members should be the person of ability, integrity and standing and should have adequate knowledge or experience of, or have shown capacity in dealing with problems relating to economics, law, commerce, accountancy, industry, public affairs or administration, one of whom should be a woman. The original jurisdiction is vested in the commission in respect of complaints where the value of goods or services and the compensation so claimed exceed rupees twenty lakhs.

Appeal

1. Consumer may prefer an appeal before the State Commission against the orders passed by the District Forum.
2. Consumer may prefer an appeal before the National Commission against the orders passed by the State Commission.

Basic Consumer Rights

The consumer right is the right to have information about the quality, potency, quantity, purity, price and standard of goods or services as it may be the case, but the consumer is to be protected against any unfair practices of trade. It is very essential for the consumers to know these rights.

In general the consumer rights in India are listed below:

a. Right to be protected

Consumers, have the Right to be protected against the marketing of goods and delivery of services that are hazardous to life and property. Producers and service providers need to strictly follow the required safety rules and regulations. There are many goods which require special attention to safety. Public and government action is required to ensure that safety and quality of products and services are maintained. This right needs each product which can potentially be a danger to our lives to be marketed after adequate and complete verification as well as validation.

b. Right to be informed

The right to information is the right to be informed about the quality, quantity, potency, purity, standard and price of goods or services, as the case may be so as to protect the consumer against unfair trade practices in the consumer protection act of 1986. The manufacturers have to display the information about price, date of manufacture, expiry date, ingredients used, address of manufactures etc. of the product. Government has made it mandatory to mention all ingredients and safety features, date of manufacture, quantity, price, expiry date, and direction for use ect. on the pack of a product. This information is given because it helps the consumer in making an informed buying decision.

c. Right to be Chosen

Right to choose as pre the consumer protection act 1986 is the right to be assured, wherever possible, to have access to variety of goods and services at competitive prices. For regulating the market place, there is just one factor required and that is competition. The existence if cartel, oligopolies and monopolies prove to be counterproductive to consumerism. It means that consumers encourage competition among the producers and dealers so that there will be improvement in quality standards, reduction in costs and increase in quantity produced so that maximum number of consumers can be benefitted.

d. Right to be Heard

Consumer has the right to ventilate and register his dissatisfaction, disagreement and get his complaint heart and weighed. This right is of vital importance because, all the earlier three rights are meaningless if this right is not granted. In absence of this right the very purpose of granting other right is defeated. This right helps to empower the consumers of India for putting forward their complaints and concerns fearlessly and raising their voice against products or even companies and ensure that their issues are taken into consideration as well as handled expeditiously.

e. Right to be Redressed

The right to seek redressal against unfair trade practices or restrictive trade practices or unscrupulous exploitation of consumers is referred to as the right to redressal according to the Consumer Protection Act 1986. The complaints protests are not just to be heard the aggrieved party is to be granted compensation by bringing due adjustment in the transaction that has taken place. There should be fair and just settlement of deserving claims. Thus, there is need to provide an easy and effective public system through this can be done.

f. Right to consumer education

The right of every Indian citizen to have education on matters regarding consumer protection as well as about her/his right is regarded as the last right provided by the Consumer Protection Act 1986. The right makes sure that the consumers in the country have informational programs and materials which are easily accessible and would enable them to make purchasing decisions which are better than before. Consumer education might refer to formal education through college and school curriculums as well as consumer awareness campaigns being run by non-governmental and governmental agencies both.

Present Situation

We all are consumers in one form or another. But in the present socio economic scenario we find that the consumer is a victim of many unfair and unethical tactics adopted in the market place. The untrained consumer is no match for the businessman marketing goods and services on an organized basis and by trained professionals. Consumer is very often cheated in the quality, quantity and price of the goods or services. The consumer who was once the “king of the market” has become the victim of it. The modern economic industrial and social developments have made the notion of “freedom of contract” largely a matter of fiction and an empty slogan so far as many consumers are concerned. Globalization and development in the International Trade and Commerce there has been substantial increase of business and trade, which resulted in a variety of consumer goods and services to cater to the needs of the consumers.



In recent years, there has been a greater public concern over the consumer protection issues all over the world. Taking into account the interest and needs of the consumers in all countries, particularly those in developing countries, the consumer protection measures should essentially be concerned with – (i) the protection from hazards to health and safety; (ii) the promotion and protection of economic interests; (iii) access to adequate information; (iv) control on misleading advertisements and deceptive representation; (v) consumer education and (vi) effective consumer redress. The consumer deserves to get what he pays for in real quantity and true quality. In every society, consumer remains the centre of gravity of all business and industrial activity. He needs protection from the manufacturer, producer, supplier, wholesaler and retailer.

The change of legal philosophy, business is heavily regulated on behalf of the consuming public. Many corporations today have a department of consumer affairs. But the situation in India is altogether different. The consumers are confronted invariably with the non-availability of effective and speedy machinery for redressal of their grievances in the marketplace. It is imperative to consider consumer's problems and their scope and nature of grievances. However some remedies can be suggested which the consumers confront various kinds of problems in the market place which have serious repercussions on their self- respect, self image and also on their decision making processes. The consumer often experience in the market place frustration and sometimes humiliation too, due to the arrogant behavior of the sellers, which is the product of the prevailing scarcity conditions of articles and cancerous tendency of hoarding in India. The consumer's problems are created in the market place from range of malpractices and deception to outright rejection of their just protest and right to information about goods. Whatever the solutions that are available in India for the protection of the consumers in the marketplace the consumer find themselves helpless due to ineffective legal machinery for redressal of grievances. The consumer is powerless to assert his rights and to compel a solution of his grievances in the marketplace, as sometimes he/she may not get a valuable product or commodity for the money that they paid. There is no doubt that the legal system in India provides some remedies for the consumers' problems. A just legal system has to operate in the defence of their citizens and also ultimately for the establishment of an egalitarian society. The position today that except for law suit in which substantial amounts of money are involved, the law courts have not proved to be an effective or even feasible mechanism geared to serve the needs of harassed and troubled consumers.

Suggestions

- Consumer should purchase quality marked products such as ISI, AKMARK, HALLMARK etc.
- They must ask for cash memos for the goods purchased whenever possible and to make complaint for genuine grievances, consumers must know their rights and must exercise them.
- Government and other consumer agencies should make efforts in the direction of propaganda and publicity of district forum, state and national judiciary established for consumer protection so as to make more and more consumer awareness about their great involvement and seek justice in case of grievance.

Conclusion

Consumer is the most important element of the market. So, they should be encouraged to raise their voice. It should be realized by consumers that no rules and regulation will work, until they realise their role and importance. Consumer movement can be effective only with active involvement of consumers. It requires continuous efforts and struggle involving participation from all consumers. Moreover they have to acquire the knowledge and skills to become well - informed consumers. The National Consumers' Day is celebrated on 24th December. On this day the Indian parliament enacted The Consumer Protection Act in 1986. Due to consumer movement, today there are more than 700 consumer groups in India, out of which about 20-25 are well organized and recognised for their work. The enactment of consumer protection act has led to the setting up of separate departments of Consumer Affairs in Central and State Governments. These departments also contribute consumer awareness by different modes. They publish posters and spread information about legal process in advertisements on television channels. When consumers become conscious of their rights while purchasing goods and services, they will be able to differentiate and make informed choices.

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