

Awareness of Consumer Rights: A Comparative Study

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Abstract

This study compares the awareness of consumer rights in a metropolitan city as against remote areas. The primary data has been analysed to examine the impact of geographical location and occupation on customer awareness.

The study covers five factors, i.e., Cash Memo, MRP, Standardization Mark, Expiry Date and Quantity Check, which were considered by the consumers while purchasing the goods or services. Awareness of consumer rights - to be informed, to choose, to safety, to be heard, to seek redress and to consumer education are examined under the study. Furthermore, five modes of generating consumer awareness are considered, i.e., Govt. advertising campaigns, NGO's, consumer organisations, workshops and public gatherings. The research was conducted through a survey of respondents using a structured questionnaire. The study points to the pressing need for empowerment of the rural consumer.

Keywords: Consumer Rights, Consumer Awareness, Consumer Organisations

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1. Introduction

Awareness of consumer rights varies in different regions in the country. It is very poor especially among the population in rural and far-flung areas of the country. Compared to the developed countries, the levels of consumer awareness in such a vast country with a large population like India is much lower. More than 30 years after the passage of the Consumer Protection Act of 1986, the public continues to be exploited by unscrupulous sellers and marketers who take advantage of the poor levels of awareness of rights and responsibilities on the part of consumers and the weak enforcement of remedial measures.

Consumer is the focal point of any business. Consumer's satisfaction will benefit not only business but government and society as well. So consumerism should not be considered as consumer's war against business. It is a collective consciousness on the part of consumers, business, government and civil society to enhance consumer's satisfaction and social welfare which will in turn benefit all of them and finally make the society a better place to live in.

Consumer empowerment promotes the ability of consumers to exercise informed choices, reward good sellers and manufacturers and seek redressal for poor standards. It supports the demand side and promotes efficient economic growth. Consumer protection is therefore regarded as a sound economic concept. This is all the more so in the light of the current move towards "Make in India" for which, logically, the home market beckons. Yet, ironically, in this country whose billion plus population makes it the 3rd largest world economy in terms of overall purchasing power, the consumer continues to be at the mercy of unscrupulous sellers and marketers who take full advantage of the poor public awareness of rights and responsibilities and the weak enforcement of remedial measures.

2. Review of Literature

A review of consumer related literature reveals the depth of the malaise. While Saxena (1978) speaks about the problems of inflation, sub-standard quality of products and services, adulteration, non-standard weights and measures, deceptive advertising and inadequate production. Sahu (1978) adds the issues of imitation and defective packaging and Thakur (1912) talks of poor processing of complaints by business. An empirical study of consumer satisfaction and awareness, carried out in the rural areas of five states-Uttarakhand, Meghalaya, Gujarat, Tamil Nadu and Madhya Pradesh, reveals high levels of dissatisfaction with both consumer goods as well as services - including health, education, insurance, banking, electricity, postal and telephone. Interestingly, most respondents admitted that they did not insist on a cash memo while buying durables.

Singh (1992) refers to a study of Hissar district which showed that most of the people had not even heard of consumer protection legislation. A Marathwada study by Savarkar (1996) also concluded that many respondents were unaware of the grievance redressal mechanism and also of the need to insist on a purchase document.

Consumer ignorance has been correlated with literacy levels in Lizzy's (1993) study on the efficacy of consumer redressal agencies in Kerala. High literacy rates corresponded to a higher number of complaints filed with the district consumer forums.

Other studies show public apathy often based on disillusionment with the system. In Dyani's (1989) study of two towns in North-western UP, five out of ten dissatisfied customers filed complaints. Only three got some kind of relief. The others did not pursue their cases further. In his Chandigarh study, Singh (1983) found that while many consumers were unaware of the existence of a District forum. Half of those who were aware felt it would be a waste of time to approach it or to become a member of a consumer rights organisation. Kumar and Batra (1990) record the same attitude of indifference among consumers who anticipate no response to their complaints. Bajracharya (1998) lists the factors which discourage consumers from seeking redressal for their complaints. These are - indifference and lethargy, lack of confidence in judicial processes and a desire to avoid disputes.

This, therefore, is the situation on the ground despite the fairly comprehensive legal framework provided by the Consumer Protection Act of 1986, and its various amendments (1991, 1993, 2002 and 2011). Consumer education is therefore of primary importance and it has rightly been called "the gateway through which all the (consumer) rights can be secured."

3. Research Objectives and Hypothesis

3.1 Research Objectives

Under the current circumstances, the present study was proposed to analyse the awareness of consumer rights in the Indian society. The objectives were:

1. To study the factors considered by consumers while purchasing the goods and services
2. To assess consumer awareness on the basis of geographical location and occupational differentiation
3. To look into consumer awareness of redressal and of the availability of consumer organisations

4. To examine the importance given to various modes for creating awareness about consumer rights

3.2 Research Hypothesis

The consumer's geographical location and occupation have no significant bearing on his or her

- Awareness of consumer rights
- Access to information

3.3 Research Methodology

Data collection tools:

The study was based on primary as well as secondary data. Secondary data was collected from articles, research papers, books and studies carried out by institutions and NGOs. A structured questionnaire was prepared for the collection of primary data through personal interaction with the respondents.

Sample design and size:

The method of multistage random sampling was adopted. A total of 348 customers were approached during the personal visits at the selected locations of the metropolitan city, i.e. Delhi, and the remote areas i. e., Mewat in Haryana and Lahaul-Spiti district of Himachal Pradesh. Out of these, 300 final questionnaires were considered for analysis. An independent sample T- test was used to test the difference in mean scores between remote areas and metropolitan cities. The one-way analysis of variance was applied to find the difference in the mean scores among different occupations about awareness of consumer rights.

4. Results and Discussion

This part contains the analysis of primary data to examine consumer awareness on the basis of geographical location and occupation.

Table 1: Profile of Respondents

Particulars		Frequency	Percentage
Area	Remote Areas	150	50
	Metropolitan Cities	150	50
Occupation	Agriculture	48	16
	Services	86	28.7
	Self-Employed	90	30
	Others	76	25.3

Our sample was geographically evenly divided between the metropolitan and remote regions. Among occupational categories, self-employed respondents formed the largest group at 30%, followed by services and others.

In the study primary data was analysed under three categories -Purchase variables and determinants, Awareness of rights & remedies and modes of creating awareness.

4.1 Purchase Variables & Determinants

4.1.1. Factors considered during purchase

Table 2.1: Sector-wise

Factors	Mean		SD		t -Value	P Value
	Remote Areas	Metropolitan Cities	Remote Areas	Metropolitan Cities		
Cash Memo	3.472	4.16	0.804	0.836	-4.647	0.885
MRP	3.81	4.27	0.736	0.8	-5.107	0.016**
Standardization Mark	3.51	3.85	0.849	1.006	-3.163	0.268
Expiry Date	4.23	4.5	0.763	0.775	-3.002	0.753
Quantity Check	3.49	3.47	1.116	1.085	0.105	0.914

***1% Significance

**5% Significance

Cash Memo and MRP: The metropolitan mean score is higher than the backward score. The sector-wise mean score difference is statistically significant as regards the MRP, but not with respect to the cash memo. Thus metropolitan customers give more importance to the MRP than backward area customers.

Expiry Date: The fairly high mean score across sectors indicates the importance placed on this. The statistically insignificant mean score difference shows that customer behaviour in this respect is uniform across sectors.

Standardisation Mark And Quantity Check: The mean scores and the statistically insignificant sector-wise difference therein indicate that customers in both sectors give moderate importance.

Table 2.2: Occupation-wise

Factors	MEAN				F-Value	P-Value
	Agriculture	Service	Self Employed	Others		
Cash Memo	3.56	4.03	3.94	4.07	4.222	0.006**
MRP	3.77	4.17	4.14	3.93	3.668	0.013**
Standardization Mark	3.4	3.8	3.82	3.57	3.037	0.029**
Expiry Date	4.21	4.3	4.52	4.36	2.078	0.103
Quantity Check	3.52	3.4	3.54	3.47	0.294	0.83

***1% Significance

**5% Significance

The mean scores indicate that customers give above-average importance to all the variables. The expiry date appears to be more important than other variables for respondents across occupations (mean > 4). The P values show a statistically significant difference in opinions of customers across occupations regarding cash memo, MRP and standardisation mark. Thus occupation influences the importance given to these three variables at the point of purchase.

4.2 Awareness of Rights and Remedies

4.2.1 Awareness of consumer rights

Table 3.1: Sector-wise

Rights	Mean		SD		t -Value	P Value
	Remote Areas	Metropolitan Cities	Remote Areas	Metropolitan Cities		
to Information	2.27	3.19	1.3	1.206	-6.308	0.001***
to Choose	2.19	3.19	1.278	1.255	-6.791	0.011**
to Safety	2.1	2.98	1.219	1.178	-6.356	0.011**
to be Heard	2.11	2.86	1.249	1.187	-5.355	0.009**
to Seek Redressal	2.21	3.03	1.343	1.282	-5.454	0.037**
to Consumer Education	2.03	2.83	1.181	1.268	-5.654	0.868

***1% Significance

**5% Significance

Metropolitan respondents showed average awareness of the first five rights while backward area respondents showed a low level of awareness. The p value bears out the differential level of awareness between sectors.

However as regards the right to consumer education, the statistically insignificant difference shows a common limited awareness irrespective of geographical location.

Table 3.2: Occupation-wise

Rights	MEAN				F-Value	P-Value
	Agriculture	Service	Self Employed	Others		
to Information	2.02	3.14	2.93	2.47	9.641	0.000***
to Choose	1.98	3.1	2.94	2.37	10.416	0.000***
to Safety	1.85	2.91	2.78	2.28	9.941	0.000***
to be Heard	1.9	2.94	2.63	2.16	10.024	0.000***
to Seek Redressal	1.94	2.97	2.84	2.39	7.723	0.000***
to Consumer Education	1.83	2.66	2.64	2.28	5.839	0.001***

***1% Significance

**5% Significance

Respondents across occupations show poor or average level of awareness. The statistically significant difference indicates that occupation influences the level of awareness. Agriculturists have minimum awareness.

4.2.2. Action in Case of Dissatisfaction

Table 4.1: Action

Action	YES		NO	
	Frequency	Percentage	Frequency	Percentage
Ignore it	72	24	228	76
Complain to the shopkeeper	229	76.3	71	23.7
Complain to the Police	111	37	189	63
Go to the Panchayat	67	22.3	233	77.7
Go to the Consumer Court	110	36.7	190	63.3
Mobilize other consumers	105	35	195	65
Contact Consumer Organization	75	25	225	75

Almost 25% were ready to ignore their dissatisfaction.

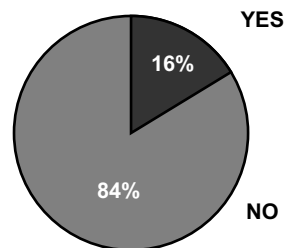
4.2.3 Awareness of remedies in case of defective goods

Table 4.2: Remedies

Remedies	YES		NO	
	Frequency	Percentage	Frequency	Percentage
Repair	244	81.3	56	18.7
Replacement	197	65.7	103	34.3
Compensation	114	38	186	62

A majority are aware of the provision for repair. Fewer know about the provisions for replacement or compensation.

4.2.4 Awareness of consumer organisations



4.3. Importance of Different Modes of Creating Awareness

Table 5.1: Sector-wise

Mode	Mean		SD		t -Value	P Value
	Remote Areas	Metropolitan Cities	Remote Areas	Metropolitan Cities		
Govt. Advertising Campaigns	3.87	3.93	0.907	0.984	-0.488	0.056
NGOs	3.12	3.63	0.897	0.909	-4.86	0.404
Consumer organizations	3.13	3.78	0.953	0.874	-6.126	0.294
Workshops	2.93	3.49	0.956	0.932	-5.136	0.286
Public Gatherings	3.85	3.57	1.089	1.019	2.299	0.668

***1% Significance

**5% Significance

Table 5.2: Occupation-wise

Modes	MEAN				F-Value	P-Value
	Agriculture	Service	Self Employed	Others		
Govt. Advertising Campaigns	3.81	3.97	3.92	3.86	0.344	0.793
NGOs	3.04	3.55	3.46	3.29	3.508	0.016**
Consumer organizations	2.9	3.59	3.53	3.57	6.82	0.000***
Workshops	2.75	3.45	3.4	2.99	8.239	0.000***
Public Gatherings	3.71	0.71	3.76	3.67	0.088	0.967

***1% Significance

**5% Significance

Government Advertisement Campaigns and Public Gatherings: The mean score analysis shows this as more effective across sectors/occupations.

NGOs, Consumer Organizations and Workshops: The significant P value indicates that servicemen give a higher rating, followed by self-employed, students, housewives and agriculturists.

5. Conclusion & Future Direction

The study reveals a metropolitan-backward divide in consumer awareness. Among occupational categories, farmers appear to have the least awareness. Most pertinently, awareness of the right to consumer education is uniformly low across sectors and occupations. This is crucial as it empowers the consumer to assert all other rights.

Sellers continue, with impunity, to deny consumers' the right to be informed. Cumbersome court procedures discourage attempts at judicial redressal of grievances.

Greater consumer protection in the emerging rural market is therefore imperative. Better enforcement of existing laws, an overhaul of the redressal mechanism and sustained formal and informal consumer education strategies including awareness-raising campaigns, through TV and public gatherings, would be steps in the right direction.

It is expected that the information presented in the study will provide benefits to the policy planners i.e., the Government of India, NGOs, Judiciary, Research & Educational Institutions. Moreover, the findings of the study will help the state to develop more precise strategies which protect and promote the rights of consumers.

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